



COLCHESTER

Economic Viability Study

Three Dragons and Troy Planning + Design

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This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and non-residential model and is based on local data supplied by Colchester Borough Council, consultation and quoted published data sources. The toolkit provides a review of the development economics of a range of illustrative schemes and the results depend on the data inputs provided. This analysis should not be used for individual scheme appraisal.

No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.

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Executive Summary

1. The Colchester Borough Council Viability Study provides the Council with evidence to assist it in drawing up its Local Plan, including its affordable housing policies. The evidence has been prepared in consultation with the development industry and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework. This assessment also takes into account the policies in the new Local Plan and its supporting evidence base.
2. Colchester Borough Council is aligning the development of its Local Plan with Braintree District Council and Tendring District Council (the Partner Authorities) to cover growth in North Essex to 2033 and beyond.
3. The Partner authorities are currently preparing a combined strategic Part 1 Local Plan which will set out the opportunity for cross-boundary Garden Communities. The Part 2 Emerging Local Plan will include the allocations and policies needed to jointly deliver the predicted growth within the Partner Authority boundaries to 2033. Each council will produce a separate Part 2 Local Plan and this Viability Study is to inform the Pre-Submission consultation for this Part 2 Local Plan.
4. The councils recognise the importance of producing a plan that is viable and deliverable and has commissioned Troy Planning + Design and Three Dragons to assess viability. The Viability Study has demonstrated that the Local Plan policies in relation to residential development are financially viable for most types of development tested and that a policy requiring 30% affordable housing on sites over 10 units (and sites of 6 to 10 units in designated rural areas) is achievable. In most cases the council's policies in relation to accessibility & adaptability of dwellings (Part M of Building Regulations 2015) and 5% self-build plots on sites over 100 units are also achievable.
5. The recent Housing White Paper (February 2017) suggests that all sites over 10 dwellings may have to meet a requirement for 10% of units to be affordable home ownership. If this become a national policy requirement and the low-cost home ownership replaces other affordable housing, it will not affect viability on the schemes tested in this study.

6. The testing undertaken uses a standard residual land value approach, using the Three Dragons Toolkit for residential development and the Three Dragons Non-Residential Model for non-residential development. The residual value of development (total value less all development and policy costs, including planning obligations) is compared to a land value benchmark and the scheme is said to be viable if the residual value exceeds the benchmark. Note that the benchmark land value is an estimate of the lowest value that a landowner may accept, and does not preclude the possibility that some schemes may have enough value to pay more for land.

Residential Development

7. The testing for residential development was undertaken in two ways
 - Generic testing for 1 ha sites with different densities of 25/30/35 & 40 dwellings per hectare which provides an overview of the viability of the whole plan
 - As a set of case studies, ranging from 1 to 1,100 dwellings, representative of sites proposed in the Local Plan
8. A full list of the case studies is available at Appendix I.
9. The borough was divided for testing purposes into two value areas; Central and Tiptree & Rural. House prices and land values are generally higher in the Tiptree & Rural area than in the Central area.
10. The testing has taken account of the policies in the council's Local Plan. In particular, the council wanted to accommodate key housing policies liable to impact on viability:
 - Affordable housing – Policy DM8 requires 30% of housing to be affordable on sites over 10 dwellings and 30% on sites of 6-10 dwellings in designated rural areas (Areas of Outstanding Natural Beauty – AONB); the council requested that varying levels of affordable housing be tested in order to ascertain how best to meet the need identified in the SHMA;
 - Accessible and Adaptable homes – testing took account of need for a higher level of accessibility & adaptability under Part M of the Building Regulations - 10% of market housing and 95% of affordable housing to be reach Part M4 (2) Accessible and

Adaptable standard and 5% affordable homes to be to Part M4 (3)(2)(b) Wheelchair User dwellings;

- 5% of plots on sites over 100 dwellings to be serviced plots available for self-builders.
11. No CIL charge was applicable as the council has not yet implemented a CIL. S106 contributions were included in the viability testing, varying by differing site sizes.
 12. Sensitivity testing was carried out using a high cost scenario, taking account of the potential for high infrastructure requirements or land remediation on sites of 300 dwellings or above.
 13. The testing undertaken for the notional 1 ha sites provides an overview of the viability of the whole plan. The residual values from notional sites are tested against the benchmark land value. The results vary from location to location but in all areas and in all scenarios produce a surplus over the benchmark land value.
 14. The majority of the case studies, including the larger sites, also produced a positive residual value over the benchmark land value, demonstrating that policies in the Local Plan are achievable, including those outlined in paragraph 10 above.
 15. Sheltered and extra care schemes are viable at the policy position.
 16. The Rural Exception Site was modelled to evaluate whether the inclusion of market housing would assist deliverability. Using a mix arrived at following consultation, a level of 20-30% market housing was required to achieve viability, depending upon value area. Clearly, in practice, this will need to be assessed on a site by site basis as the size and tenure of dwellings on such sites will vary according to locally identified need.
 17. Small sites of 6-10 units in the areas of AONB are capable of providing affordable housing (as a commuted sum).
 18. There were some exceptions to the results where sites were not financially viable. In particular, the flatted schemes were not viable in either value area, reflecting the high cost of building out such schemes. In practice, policy requirements for affordable housing and Part M would need to be relaxed to bring these schemes forward. Nonetheless, at today's costs & values, even with a reduced policy position it is likely that flatted schemes would be at the margins of viability, particularly in the Tiptree & Rural Area, without a reduction

in land cost. This does not preclude development of flatted schemes later in the plan period when values may have risen above costs.

19. Both the large schemes, 600 and 1,100 units, were viable in both value areas. At the 'high costs scenario' the schemes were viable in the Tiptree & Rural area but resulted in a marginally negative residual value in the Central Area. In practice, such additional costs would likely mean that the land value would flex to accommodate them.

Non-residential Development

20. The Report provides viability analysis of the non-residential development planned to come forward under the new local plan.
21. Of the uses tested, only retail comparison, in and out of centre, convenience retail and budget hotels are viable. These types of development can come forward subject to the availability of sites.
22. Based on the costs and values in this testing, speculative office, industrial and warehouse developments are unlikely to be brought forward by the market at this point in time. However, this does not preclude local authorities developing new employment spaces, in order to deliver economic development benefits. In addition, public sector funding from sources such as the South East LEP can be used to reduce the costs of providing new employment space. It is also likely that businesses will continue to commission design and build workspace development.
23. High street comparison retail is marginally viable as modelled here. However, this is in part due to the relatively high existing use value assumed for the prime retail site. If a lower value site is available, then this type of retail is more likely to come forward.
24. Based on the costs and values in this testing, student accommodation, care homes and leisure development are not viable. However, it would only require a 2% increase in values for student accommodation to become viable and given that this is within the variance in the data used to estimate the values it seem likely that this type of development will be viable, particularly if developed on campus where the land may be obtained at below commercial rates. This is confirmed by evidence of student accommodation delivery on the campus and recent delivery / schemes in the pipeline elsewhere in the Borough.



1 Introduction

Purpose of the Economic Viability Assessment

- 1.1 The viability evidence provided in this report is to support Colchester Borough Council in drawing up its Local Plan, including Affordable Housing Policies. The evidence has been prepared in consultation with the development industry and has followed the relevant regulations and guidance and is in line with the National Planning Policy Framework. The council recognise the importance of producing a plan that is viable and deliverable and has commissioned Troy Planning + Design and Three Dragons to assess viability.
- 1.2 The testing undertaken uses a standard residual land value approach, using the Three Dragons Toolkit for residential development and the Three Dragons Non- Residential Model for non-residential development. The residual value of development (total value less all development and policy costs, including planning obligations) is compared to a land value benchmark and the scheme is said to be viable if the residual value exceeds the benchmark. Note that the benchmark land value is an estimate of the lowest value that a landowner may accept, and does not preclude the possibility that some schemes may have enough value to pay more for land.
- 1.3 Colchester Borough Council is aligning the development of its Local Plan with Braintree District Council and Tendring District Council (the Partner Authorities) to cover growth in North Essex to 2033 and beyond.

National Planning Context

- 1.4 The National Planning Policy Framework (NPPF) paragraph 173 sets out how the Government expects viability to be considered in planning:

*'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'*¹

- 1.5 The NPPF explicitly recognises the need to provide competitive returns to a willing land owner and willing developer, and local planning authorities are to assess the 'likely cumulative impact' of their proposed development standards and policies.
- 1.6 Planning Practice Guidance² (PPG) provides further detail about how the NPPF should be used. PPG contains general principles for understanding viability (which are relevant to CIL viability) as well as specific CIL viability guidance³. It also notes that a range of sector-led guidance is available⁴. In order to understand viability, a realistic understanding of the costs and the value of development is required and direct engagement with development sector may be helpful⁵. Evidence should be proportionate to ensure plans are underpinned by a broad understanding of viability, with further detail where viability may be marginal or for strategic sites with high

¹ DCLG, 2012, NPPF Para 173

² DCLG, Planning Practice Guidance

³ PPG Paragraph: 003 Reference ID: 10-003-20140306

⁴ PPG Paragraph: 002 Reference ID: 10-002-20140306

⁵ PPG Paragraph: 004 Reference ID: 10-004-20140306

infrastructure requirements⁶. However not every site requires testing and site typologies may be used to determine policy⁷. For private rented sector, self build and older people's housing, the specific scheme format and projected sales rates (where appropriate) may be a factor in assessing viability⁸.

- 1.7 PPG requires that a buffer should be allowed and that current costs and values should be used (except where known regulation/policy changes are to take place)⁹. On retail and commercial development, broad assessment of value in line with industry practice may be necessary¹⁰. Generally, values should be based on comparable, market information, using average figures and informed by specific local evidence¹¹. For an area wide viability assessment, a broad assessment of costs is required, based on robust evidence which is reflective of local market conditions. All development costs should be taken into account, including infrastructure and policy costs as well as the standard development costs¹².
- 1.8 Developer returns should be proportionate to risk¹³. The return to the landowner will need to provide an incentive for the land owner to sell in comparison with the other options such as current use value or policy compliant alternative use value¹⁴.
- 1.9 Recent Ministerial guidance on affordable housing policy (28th November 2015) and associated changes to PPG¹⁵ have made the following changes:

⁶ PPG Paragraph: 005 Reference ID: 10-005-20140306

⁷ PPG Paragraph: 006 Reference ID: 10-006-20140306

⁸ PPG Paragraph: 018 Reference ID: 10-018-20150326

⁹ PPG Paragraph: 008 Reference ID: 10-008-20140306

¹⁰ PPG Paragraph: 012 Reference ID: 10-012-20140306

¹¹ PPG Paragraph: 012 Reference ID: 10-012-20140306

¹² PPG Paragraph: 013 Reference ID: 10-013-20140306

¹³ PPG Paragraph: 015 Reference ID: 10-015-20140306

¹⁴ PPG Paragraph: 015 Reference ID: 10-015-20140306

¹⁵ PPG Paragraph: 031 Reference ID: 23b-031-20161116

contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm

in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development.

- 1.10 For specific topics, the PPG provides information on the different types of policy requirements that authorities may decide to implement through their Local Plans. This provides greater clarity on how these requirements may affect the cost of development and provides a starting point for how they should be taken into account. For example, the PPG sets out optional technical standards for internal space standards, water consumption and accessibility against which additional costs may be calculated¹⁶.
- 1.11 For other areas such as the implementation of Sustainable Drainage Systems (SUDs), PPG sets out a clear approach to deliver schemes against the hierarchy provided by the government's non-statutory technical standards, so far as is reasonably practical¹⁷. The costs of implementing the standards should not normally exceed the requirement to meet building regulations, accepting that development and land value assumptions for brownfield land should "*clearly reflect the levels of mitigation and investment required to bring sites back into use*"¹⁸.

¹⁶ PPG Paragraph: 001 Reference ID: 56-001-20150327

¹⁷ PPG Paragraph: 080 Reference ID: 7-080-20150323

¹⁸ PPG Paragraph: 025 Reference ID: 10-025-20140306

Other Guidance on Viability Testing for Residential Development

- 1.12 Guidance has been published to assist practitioners in undertaking viability studies for policy making purposes – “*Viability Testing Local Plans - Advice for planning practitioners*”¹⁹. The Foreword to the Advice for planning practitioners includes support from DCLG, the LGA, the HBF, PINS and POS. PINS and the POS²⁰ state that:

“The Planning Inspectorate and Planning Officers Society welcome this advice on viability testing of Local Plans. The use of this approach will help enable local authorities to meet their obligations under NPPF when their plan is examined.”

- 1.13 The approach to viability testing adopted for this study follows the principles set out in the Advice. The Advice re-iterates that:

“The approach to assessing plan viability should recognise that it can only provide high level assurance.”

- 1.14 The Advice also comments on how viability testing should deal with potential future changes in market conditions and other costs and values and, in line with PPG, states that:

“The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values”. (page 26)

But that:

“The one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented.....” (page 26)

¹⁹ The guide was published in June 2012 and is the work of the Local Housing Delivery Group, chaired by Sir John Harman, which is a cross-industry group, supported by the Local Government Association and the Home Builders Federation.

²⁰ Acronyms for the following organisations - Department of Communities and Local Government (DCLG), The Local Government Association (LGA), Environment and Housing Board (EHB), Home Builders Federation (HBF), Planning Inspectorate (PINS), Planning Officers Society (POS)

Local Planning Policy Context

- 1.15 The NPPF is clear that viability testing should take into account, '*...the costs of any requirements likely to be applied to development...*' (Para 173). Therefore, a planning policy review has been undertaken – see Appendix II – Local Plan Policies.
- 1.16 Once adopted, the Local Plan will be the main planning document for Colchester Borough Council. It will set out the overarching spatial strategy and development principles for the area joint 'Part 1' strategy with Braintree District Council and Tendring District Council.
- 1.17 This Study does not specifically take account of the policies from the combined 'Part 1' Local Plan, which is primarily concerned with setting the spatial strategy and requirements for development as well as identifying allocations for three new Garden Communities. The proposed Garden Communities have been subject to separate viability testing.
- 1.18 The policies of the 'Part 2' Plan are fully assessed within this Viability Study. These give effect to the spatial strategy and meeting the requirements for growth in the borough as set out in the 'Part 1' Plan. This is achieved through the allocation of sites together with more detailed policies for development management, standards and measures to secure the levels of infrastructure required to support development. The Local Plan will be used to help determine planning applications in the borough. The main elements of the Local Plan are:
- Providing strategic objectives and vision for the borough
 - Achieving the overarching strategy for the location of new development
 - Deliver economic growth in response to new challenges and trends
 - Identification of strategic development sites
 - Identifying and providing for future infrastructure requirements
 - Managing key environmental constraints and opportunities
 - Include strategic policies for development control purposes and setting out the standards that new development is expected to meet.

1.19 The Local Plan includes a number of policies which can have an impact on the viability of development. Impacts of policies are of four main types:

- Because they require the developer to make provision for a particular type of development within their scheme (e.g. affordable housing, specialist housing for older people);
- Because they require development to provide for planning obligations to ensure its acceptability in planning terms (see '*CIL and S106 requirements below*');
- Because they impact on the form of development and hence its costs e.g. in meeting design or environmental standards; or
- Because they mean that an area within a development scheme has to be set aside for a use that does not generate an income (e.g. in meeting an open space requirement)

1.20 We have worked with the Council to analyse the policies of the Local Plan. This is necessary to identify those which may add costs and/or reduce the anticipated revenue from development. Appendix II provides a summary of each policy, potential impact on viability and implications for viability testing or reflecting policy requirements within the methodology for testing.

1.21 This is also important to inform the types of development that viability testing should take into account based on the outputs the Local Plan supports – for example specialist housing for older people or 'Rural Exception Sites' for affordable housing outside of settlement limits.

1.22 Below, we highlight examples of policies which are likely to have an impact on viability:

- Affordable housing (see next section)
- Meeting policy targets for accessible and adaptable homes
- New dwellings in accordance with nationally described space standards
- Measures to restrict water consumption and improve water quality
- Transport infrastructure and public right of way improvements
- Provision of community facilities e.g. schools, healthcare

- Ensuring provision of land and monies for open space and leisure facilities.
- Achieving the 'BREEAM' Standards from non-residential developments

DM8: Affordable housing

1.23 A key policy that affects development viability is DM8: Affordable Housing Provision. The policy states that:

- A target of 30% of the total number of residential units on new development within Colchester Borough should be affordable housing. Provision will normally be sought on site.
- Contributions will be sought from all schemes comprising 11 or more dwellings, in accordance with thresholds for such contributions set out in the PPG²¹.
- The policy seeks to operate a lower threshold for seeking contributions between 6 and 10 units in designated rural areas, where in accordance with national policy the expectation would be in the form of financial payments commuted until after completion of units
- Standalone new settlements by virtue of their size will be subject to separate viability appraisals, including on affordable housing; however the starting point should be 30% for affordable housing provision.
- Off-site provision or a financial contribution may be accepted where on-site delivery is impractical. A viability appraisal will be required and will be independently verified if applicants seek to demonstrate that requirements cannot be achieved. The mix of units should reflect local need.
- The provision of Rural Exception Sites is supported, and may include a proportion of market housing where information is submitted to demonstrate that this is essential to cross-subsidise the delivery of affordable housing and represents only the proportion necessary to achieve the significant provision of

²¹ PPG Paragraph: 031 Reference ID: 23b-031-20161116

affordable housing as part of development. The number of affordable units and total floorspace on a site should always be greater than the number of open market units or floorspace, with actual numbers determined by local circumstances.

- 1.24 In assessing viability, we have modelled the requirements for affordable housing as set out in the policy, at a threshold of more than 10 dwellings (except in designated rural areas), making specific assumptions about the type of affordable housing to be provided. Details of the assumptions used are set out in the next chapter and appendix I. Scenario testing has also been undertaken to demonstrate the financial assumptions that must be adopted to deliver a notional, viable, Rural Exception Site.

CIL and S106 Requirements

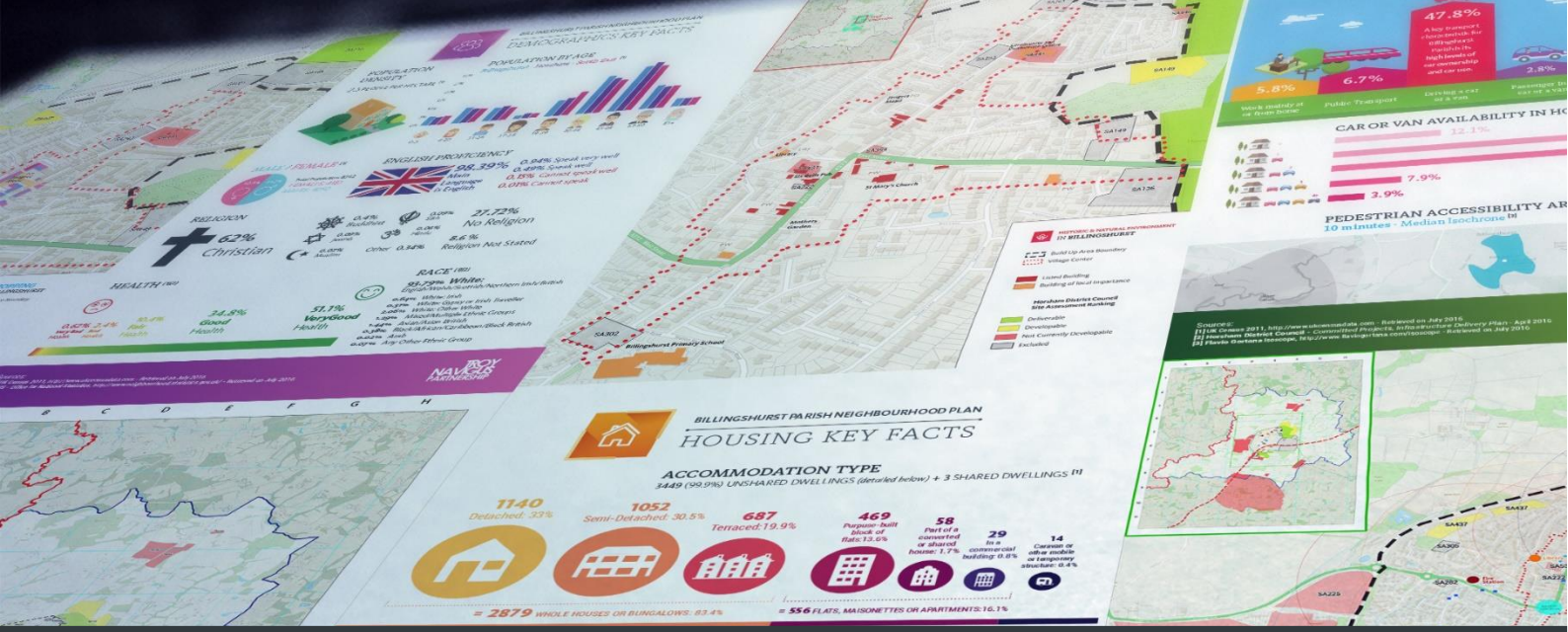
- 1.25 Colchester Borough Council has not adopted a Community Infrastructure Levy (CIL) and therefore this study has not taken such a levy into consideration. Neither is it designed to provide evidence to support a CIL charging schedule. S106 contributions have therefore not been scaled back (as would be the case if a CIL charge was in place) but will nonetheless have to meet the three tests:
- Necessary to make the development acceptable in planning terms;
 - Directly related to the development;
 - Fairly and reasonably related in scale and kind to the development.
- 1.26 The testing assumptions set out in Chapter 2 detail the assumptions for future levels of planning obligations that new developments will be expected to provide for (see paragraph 2.17).

Research Evidence

1.27 The research which underpins the Economic Viability Assessment includes:

- Analysis of information held by the authority, including the profile of land supply identified in the Strategic Housing Land Availability Assessment and sites proposed for allocation in the emerging Local Plan; a review of historic planning permissions; and reviewing records of planning contributions;
- A stakeholder workshop was undertaken on 13 March 2017 and held jointly on behalf of the three authorities of Braintree District Council along with Colchester Borough Council and Tendring District Council. The session was attended by around 25 delegates, spanning the public and private sector and including representatives from planning, housing and the development industry. Notes of the session are included at Appendix III.
- Telephone interviews with Registered Providers operating in the borough;
- Follow up discussions with stakeholders and estate agents were used to validate assumptions for land values and property prices, particularly for new-build stock;
- On-going dialogue with council officers, in-particular from planning and housing; and
- Analysis of publicly available data to identify the range of values and costs needed for the viability assessment.

1.28 All the residential viability testing uses the Three Dragons Toolkit, adapted for Colchester, to analyse scheme viability for residential development and the Three Dragons bespoke model for the analysis of non-residential schemes.



2 Viability Testing – Residential Development

Principles and Approach

- 2.1 The Advice for planning practitioners summarises viability as follows:
- 2.2 *'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'*²²
- 2.3 As is standard practice,²³ we have adopted a residual value approach to our analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less the development costs. The remainder is the residual value and is available to pay for the land. The value of the scheme includes both the

²² P 14 Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012

²³ See page 25 of Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012 – “We recommend that the residual land value approach is taken when assessing the viability of plan-level policies and further advice is provided below on the considerations that should be given to the assumptions and inputs to a model of this type.”

value of the market housing and affordable housing. Scheme costs include the costs of building the development, plus professional fees, scheme finance and a return to the developer as well as any planning obligations.

Figure 2.1 Residual Value Approach

Total development value (market and affordable)
<i>Minus</i>
Development costs (incl. build costs and return to developer)
=
Gross residual value
<i>Minus</i>
CIL + planning obligations (including AH)
=
Net residual value (available to pay for land)

- 2.4 To assess viability, the residual value generated by a scheme is compared with a benchmark land value, which reflects a competitive return for a landowner.

Land Value Benchmarks

- 2.5 In terms of benchmark land values, Viability Testing Local Plans sets out a preferred approach in the following extract from page 29:

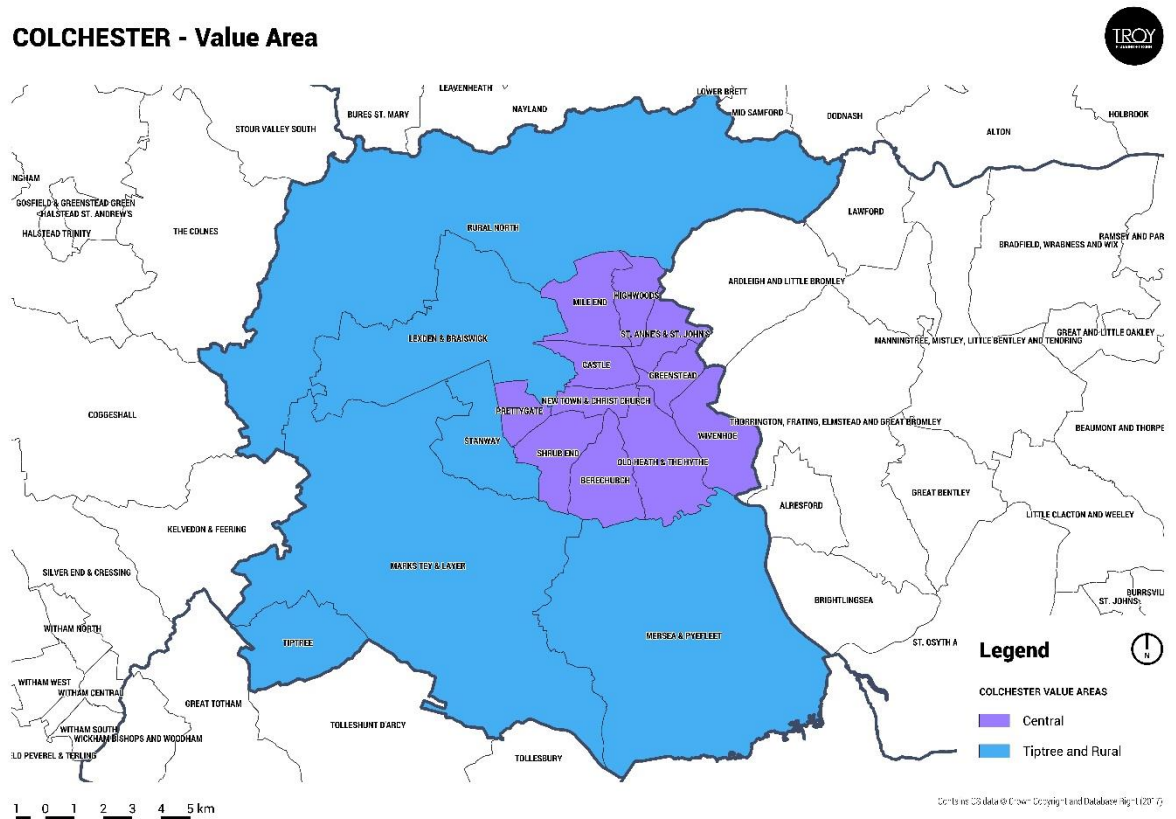
Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful 'sense check' on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values (noting the exceptions below).

- 2.6 Our mapping of prices and values has suggested two distinct market areas in Colchester Borough: Tiptree & Rural and Central as indicated in figure 2.2 below. The map has been

generated by house price data which, logically, is reflected in the corresponding land values. Tiptree & Rural has higher values than Central.

Figure 2.2: Value Areas – Colchester Borough Council



- 2.7 We have looked at a range of methods to arrive at benchmark land values starting with generic agricultural land value for the borough of £24K per hectare²⁴ which, when multiplied up by 10 – 20 times gives a greenfield land value of between £240,000 and £480,000, giving an indication of values for large greenfield sites. In Colchester Borough where the housing market is relatively buoyant we have tended towards the upper end of this benchmark. On very large sites, such as the Garden Communities (which are not considered in this study) land will clearly transact towards the lower end.²⁵

²⁴ DCLG 2015

²⁵ See Homes and Communities Agency, 2010, Annex 1 (Transparent Viability Assumptions) p9 which references "Benchmarks and evidence from planning appeals For greenfield land ... tend to be in a range of 10 to 20 times agricultural value

2.8 Information on which to base a suitable benchmark for smaller sites is to some extent limited. Planning Practice Guidance²⁶ explains that land values should:

- reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;
- provide a competitive return to willing developers and land owners (including equity resulting from those building their own homes); and
- be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise.

We have looked to a variety of sources from which we have been able to draw information and make comparison thus making the 'sense check' identified in Viability Testing Local Plans. Feedback from the consultation process described in the following paragraph indicates that a benchmark of between £600,000 to £1,000,000 per hectare is a realistic range to use for this study.

2.9 The information gathering and consultation was based upon a number of sources.

- The council's previously commissioned CIL report 2015²⁷ which gave benchmark land values of £1m for the higher value areas and £0.6m for the lower.
- Discussion with the council on previous known transactions.
- An internet search in March 2017 revealed only 1 transaction within the borough at £1.85m ha with planning approval (nil S106).
- A DCLG²⁸ value of £1.6m per unencumbered gross ha suggests a lower value once obligations are taken into account. Modelling approximates the value of obligations at around £0.9m per ha (at 35dph as assumed by DCLG) bringing the DCLG value into the range of this study.

²⁶ Paragraph: 014 Reference ID: 10-014-20140306

²⁷ Para 4.3 updated review of evidence base CIL report October 2015 (BPS)

²⁸ DCLG December 2015 <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2015>

- The development industry was consulted at a developer workshop where land values of £1m and £0.5m were presented. Comments were limited but broadly concurred with our findings; values were subsequently amended to £1m and £0.6m following comments. Developers in attendance largely saw the value of land in Colchester as aligned to that in Braintree.
- A survey of local agents²⁹ confirmed that our values were about right.

2.10 We have therefore arrived at the benchmark land values given in figure 2.3 below:

Figure 2.3 Benchmark Land Values – per gross hectare

Colchester	Small to medium sites	Intermediate sites	Large strategic Over 20 ha (gross)
Tiptree & Rural	£1m	£0.75m	£0.44m
Central	£0.6m	£0.5m	£0.44m

³⁰ These Assumptions exclude Garden Communities

2.11 The benchmark land values are an estimate of the lowest values that landowners may accept and, where development is able to pay more, land will be transacted at higher prices.

²⁹ The consultant team engaged with the following agents, all of whom were based in Colchester and confirmed knowledge of the study area, during March 2017: Haart (Colchester); Fenn Wright Land and Property; Edward Lee Property; and Connells (Colchester)

³⁰ For garden communities, land will transact at a lower value, see Paragraph 2.7 of report for further information regarding the evidence base for this assumption.

Testing approach and assumptions

2.12 Two types of testing have been undertaken:

- A notional 1 hectare site/tile (at a range of densities from 25dph to 40dph);
- A series of 42 case studies ranging in size from 1 to 1,100 dwellings. The case studies are representative of development in Colchester, in particular the sites identified in the Local Plan, and are informed by information provided by the Council.

2.13 Key assumptions in relation to costs and revenues used in the analysis of residual values for both the 1 hectare tile and case study sites can be found at Appendix I – Technical Detail.

2.14 Both cost and revenue assumptions were included in the consultation process described in para 1.27 above and amendments were made based on comments received, where a basis could be provided for the amendment. Details can be found at Appendix III – Stakeholder Workshops.

2.15 Revenue assumptions are based upon a thorough interrogation of Land Registry price paid data taking into account new build sales and price per square metre. Prices fell into one of 2 distinct value zones: 'Central' and 'Tiptree & Rural', with prices generally lower in the Central area. Some comments received from stakeholders suggested that the Central & Tiptree value are could be split further into rural district centres and rural countryside but the published evidence did not support such a distinction, although it is acknowledged that there will be some local variations across any value area. The value zones are illustrated in figure 2.2 above. The results were sense checked with local estate agents³¹.

³¹ The consultant team engaged with the following agents, all of whom were based in Colchester and confirmed knowledge of the study area, during March 2017: Haart (Colchester); Fenn Wright Land and Property; Edward Lee Property; and Connells (Colchester)

- 2.16 The cost assumptions are based upon a mix of publicly available data, e.g. BCIS for build costs, industry standard practice, and information provided by the council, for example the value of S106 contributions.
- 2.17 Details of previously achieved S106 costs were provided by the council along with costings of future anticipated collection which were triangulated with information included in the council's Infrastructure Delivery Plan (IDP). Based on this, a representative cost of £6,000 per unit was concluded. For larger sites above 50 dwellings this was increased to £10,000 per unit to account for the likelihood of contributions towards higher education and other community infrastructure.
- 2.18 To take account of the possibility that some sites may incur particularly high infrastructure or remediation costs, the specifics of which were unknown at the time of testing, we have carried out a series of high cost scenarios on the larger sites as a sensitivity test. In these sensitivity tests an additional £5,000 - £10,000 per dwelling was added to the larger sites of 300 units or above. This is in addition to S106 costs referred to in the previous paragraph and also to site opening up costs (to allow for on-site infrastructure as detailed in Appendix I). For a 3 bed semi of 100 sq m at 35 dph this is a total site infrastructure/s106 cost of just over £35,000 - £40,000 per unit for the high cost scenarios.
- 2.19 Policy DM12 of the Local Plan seeks to meet the need of future residents as well as those on the Housing Register for accessible & adaptable and wheelchair user housing under Part M of the Building Regulations 2015³². The associated additional cost has been accounted for in our testing.
- 2.20 As the council had requested advice on what level of affordable housing would be viable to meet the need assessed in the SHMA, affordable housing was modelled at both 35% and 30% (Initial testing indicated it was not necessary to test at a lower level than this). The affordable units were split 80/20 between rented and intermediate tenure as this best meets the requirements of Registered Providers to develop affordable housing

³² <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

schemes that meet their financial criteria whilst addressing the high need for Affordable Rented tenure identified in the SHMA. The Housing White Paper, currently out for consultation, suggests a minimum requirement for 10% affordable home ownership on sites over 10 units³³. If this is adopted as policy it will mean that on smaller sites the proportion of intermediate units may need to be increased but this will not adversely affect the results of this study.

- 2.21 Dwelling mix for market housing was varied between densities, with the lower densities providing a higher level of detached units and bungalows and the higher densities including flats as well as a greater number of terraced or semi-detached units.
- 2.22 The mix for affordable housing was similar in all development sizes to reflect housing need and past delivery. The affordable focus is on family units, largely 2 & 3 bed terraced properties, as identified in the SHMA.

Case study sites over 0.2 ha (around 7 dwellings) were assumed to have a net to gross ratio of around 90% to take account of any open space and any on-site infrastructure provision, in line with the green space requirement. This increased to 80% at 2ha and 65% at 8ha. A full set of assumptions is provided in Appendix I - Technical Appendix.

³³ Para 4.17 Fixing our Broken Housing Market (Housing White Paper) 7/2/17



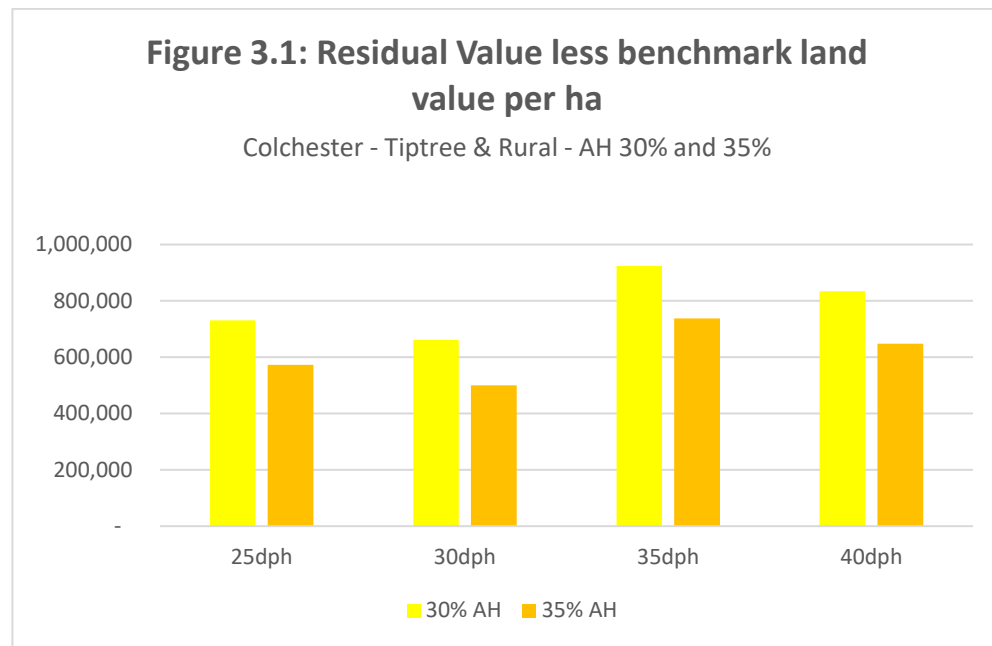
3 Residential Viability Analysis – Notional 1 Hectare Site

Testing Results

- 3.1 The results of the 1ha tiles are shown below. Each value area has been considered separately and has been tested at 25, 30, 35 & 40 dwellings per hectare (dph). The full set of results are shown in table form at appendix IV.

Notional 1 hectare scheme – Tiptree & Rural

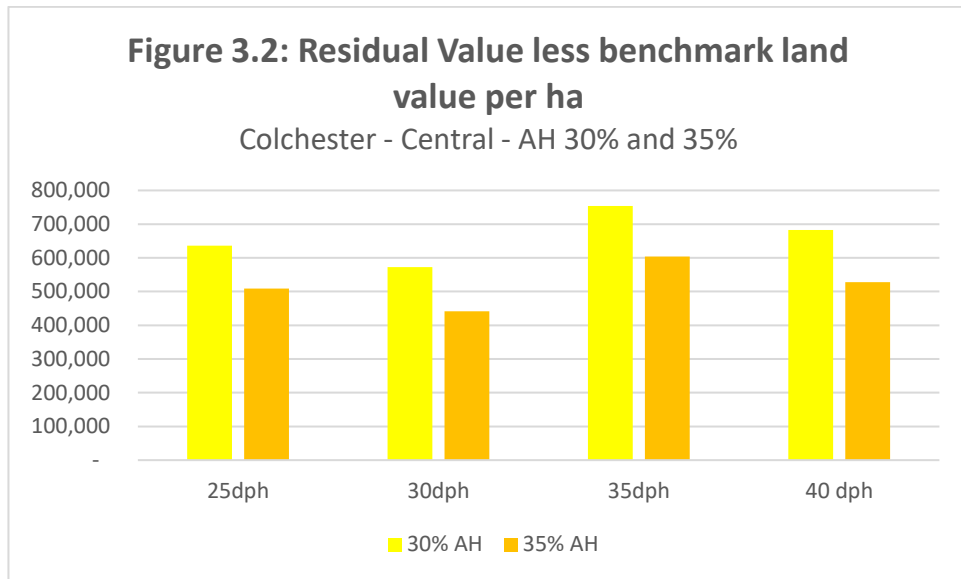
- 3.2 Testing in the Tiptree & Rural value area showed a strong market with sites financially viable at all densities. Affordable housing was modelled at 30% and 35% and both levels produced a positive result. At 35% affordable housing scheme values ranged from £0.5m to £0.738m per hectare above benchmark land value and at 30% affordable housing from £0.661m to £0.924m. The most viable sites were at 35 dph.



Main benchmark land value = £1m per gross hectare

Notional 1 hectare scheme – Central

- 3.3 Results from the Central value area also demonstrate a strong market with good general viability. At 30% affordable housing the scheme value remained above benchmark land value by between £0.573m and £0.754m per hectare and at 35% affordable housing by between £0.442m and £0.604m. The most viable density was 35 dph.

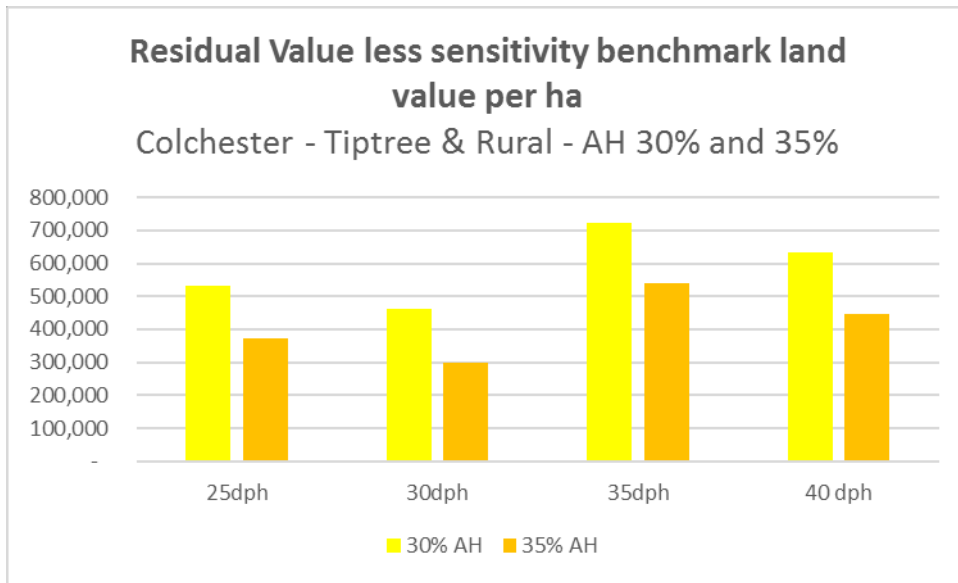


Main benchmark land value £0.6m per gross hectare

Notional 1 hectare scheme – All Schemes at Sensitivity Benchmarks

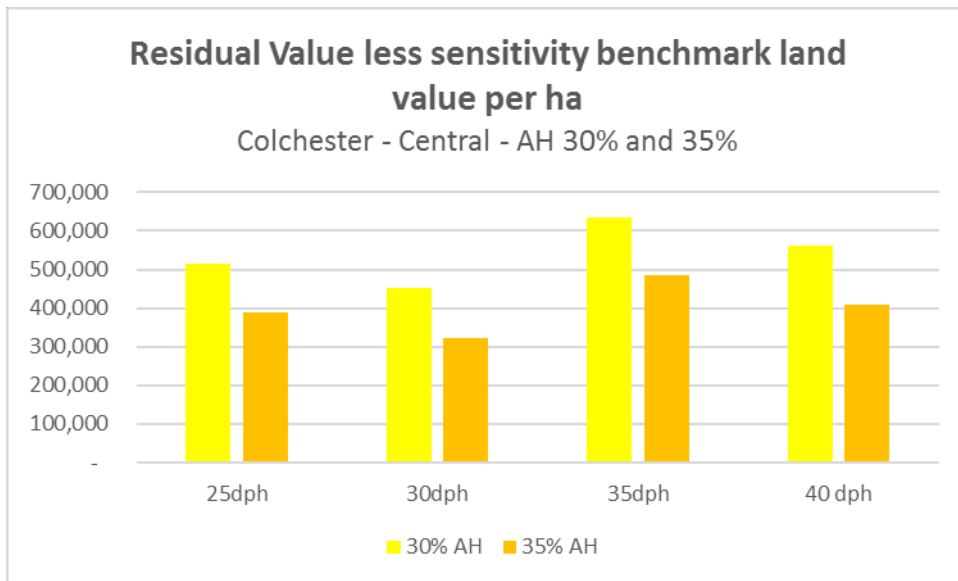
- 3.4 All schemes were evaluated again at a higher, sensitivity, benchmark land value. This takes into account that sites of this nature and size are often the easiest to deliver as they are straightforward in terms of shape or remediation and are not encumbered by significant net to gross ratios. It also allows for any pockets of higher value/prices within each area. Apart from land value, all other factors remain the same.
- 3.5 Figures 3.3a and 3.3b below demonstrate that the 1 hectare sites remain viable when the main benchmark land value is increased by 20%.

Figure 3.3a: Tiptree & Rural (sensitivity)



Benchmark land value of £1m + 20% = sensitivity benchmark land value of £1.2m per hectare

Figure 3.3b: Central (sensitivity)



Benchmark land value of £0.6m + 20% = sensitivity benchmark land value of £0.72m per hectare

Notional 1 hectare scheme – Overview

- 3.6 The testing undertaken for the notional 1 ha sites provides a broad overview of the viability of Colchester Borough Council's Local Plan.
- 3.7 At a 1 hectare site level a range of policy compliant residential densities can be delivered with a residual value in excess of both the main and sensitivity benchmark land values.
- 3.8 Sites were viable at both levels of affordable housing tested – 35% which is the need identified in the SHMA and 30% which is equitable with the modelling of the Garden Communities.
- 3.9 In all value areas the 35dph scenario is the most viable, although at 25; 30 & 40 dph the residual values are comfortably in excess of the main and the sensitivity benchmark land value.
- 3.10 The results of the 1 ha tiles give an overview of good general development viability at a range of densities in all value areas.



4 Residential Viability Analysis – Case Study Sites

Case study characteristics

- 4.1 In conjunction with the Council we have identified 50 case studies which reflect typical sites likely to be brought forward in the borough. The case studies vary in size from 1 to 1,100 dwellings and in density from 25 to 100 dwellings per hectare. There are 15 basic scenarios which were tested in the both value areas, with sensitivity testing around affordable housing policy, density, infrastructure and site costs.
- 4.2 We have divided the case studies into three main groups against the different benchmark land value site sizes: small - medium case studies of less than 2.5 ha (approximately 1 - 70 dwellings); intermediate case studies for schemes between 75 and 300 dwellings; and larger case studies of over 20 ha (600 or more dwellings). We have dealt separately with the rural exception site (10 dwellings) and the sheltered / extra care schemes. These are all reported on below. The key characteristics of the case studies are shown at the outset of each sub-section under which they are reported; all other assumptions are the same as for the 1ha tiles. Appendix I provides details of the assumptions used for the testing and Appendix IV contains the results in tabular format.

Small/Medium Case Studies (Case Studies 1 to 8)

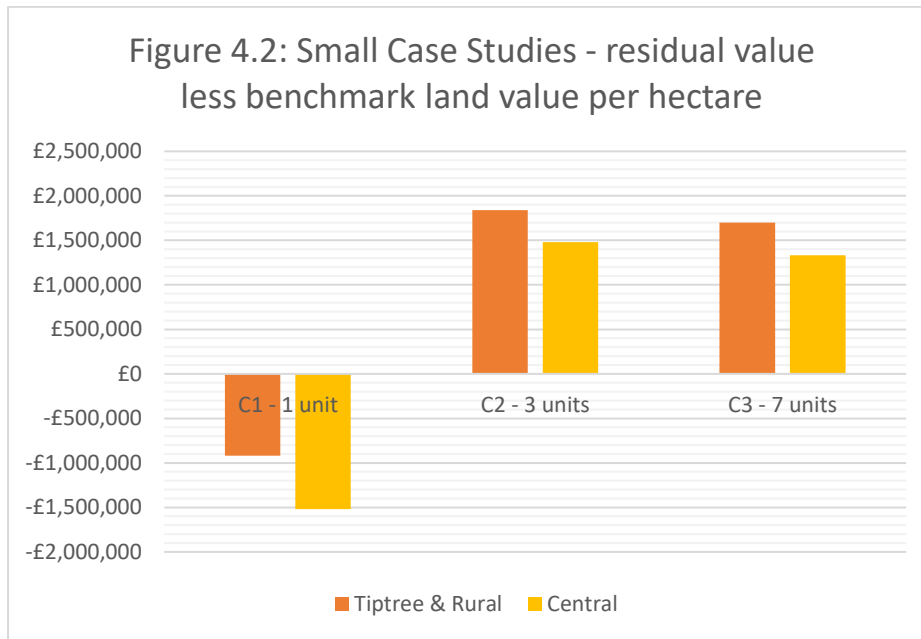
- 4.3 This section of the report examines the results from the testing of the small – medium case studies; those sites under 2.5 ha which will attract the highest land values. First, we look separately at the smallest case studies, below the affordable housing threshold, and then at small to medium studies which will need to provide affordable housing.

Small sites below 11 units

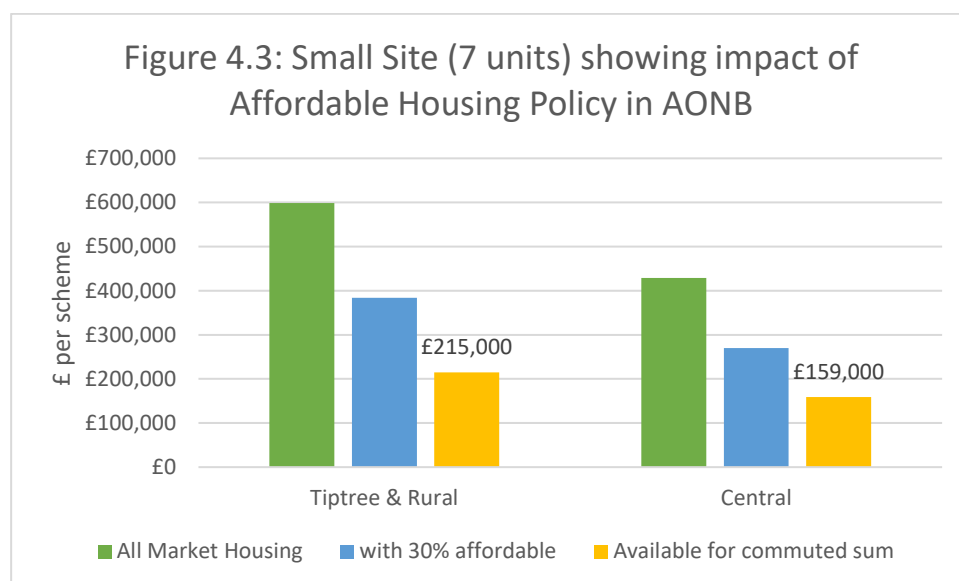
Case Study Ref	No of Dwgs	%AH	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	Opening up costs for strategic Infrastructure (£ per net ha)
C1	1 dwelling	0%	40	0.025	0.025	100%	Nil
C2	3 dwellings	0%	40	0.075	0.075	100%	Nil
C3	7 dwellings	0%	35	0.200	0.222	90%	Nil
C3	7 dwellings	30%	35	0.200	0.222	90%	Nil

Figure 4.1 Characteristics of Case Studies for fewer than 11 Units

- 4.4 The smallest case studies comprising schemes of 1, 3 and 7 units help consider the impact of Local Plan policies on sites, below the affordable housing threshold, that will come forward during the plan period. Smaller schemes, especially those of 3 units or fewer will often incur higher costs which may be ameliorated by higher selling prices. For single unit schemes, land value may in practice be a less relevant marker because schemes are often small infill sites which attract high prices and values or may be on land already in possession of the owner such as a garden. For these case studies, we assume that development occurs within a year. We follow a similar approach to that used with the 1 hectare notional scheme, with the benchmark land value deducted from the residual value.
- 4.5 The results of the viability testing for the small case studies, in both value areas, are set out in figure 4.2 below.



- 4.6 Both the 3-unit scheme and the 7-unit scheme show a surplus in excess of £1m above the benchmark land value, in the Tiptree & Rural area it is above £1.5m. At 1 dwelling a small scheme is not shown as viable with a deficit of -£0.92m to benchmark land value in the Tiptree & Rural area and -£1.52m in the Central area. This is generally a reflection of the higher costs incurred on an individual unit without the benefit of the value gained by additional units. Single dwellings may be individual one-off schemes not necessarily brought forward for profit.
- 4.7 We also tested the 7-unit scheme to demonstrate the impact of the council's policy to collect commuted sums on developments of 6-10 units in those areas designated AONB. On a gross value per hectare after deduction for benchmark land value the schemes produced values of £729,730 in the Tiptree & Rural area and £616,216 in the Central area. The results are shown in Figure 4.3 below, on a per scheme basis, giving the residual value on a scheme with all market housing and on a scheme with 30% affordable housing. Both scenarios produce viable results. The third column shows the difference between the two values and is the amount available for a commuted sum, taking into account both the cost of providing the affordable units and the value gained by replacing them with open market housing.



Small - Medium Sites

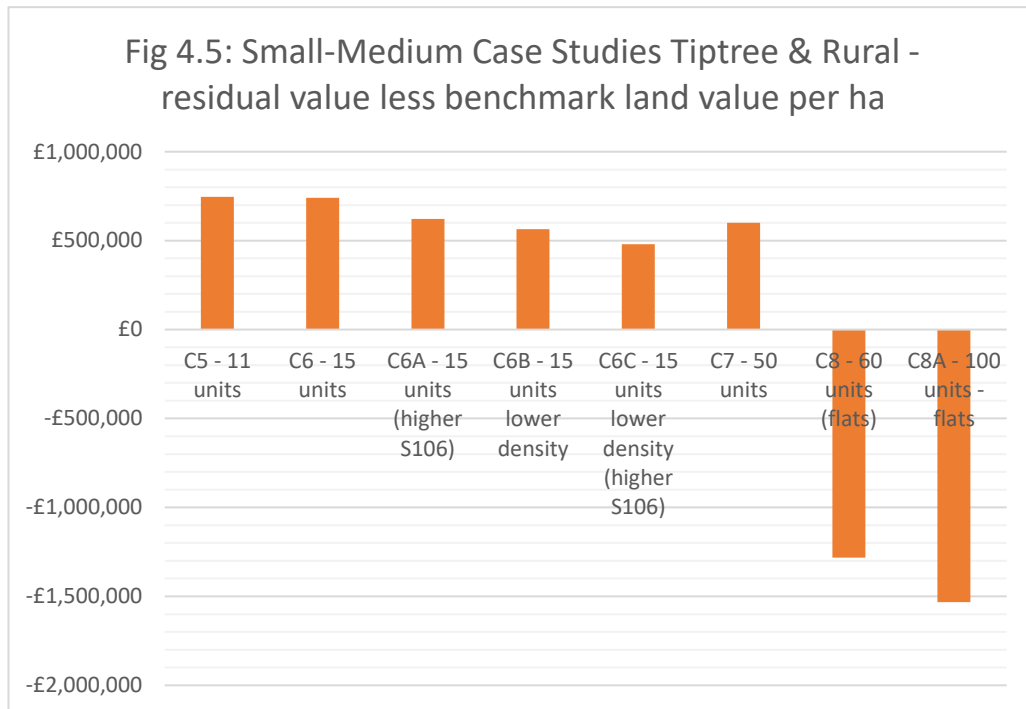
Case Study Ref	No of Dwgs	%AH	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	S106 Contributions (£/dwelling)	Opening up costs for strategic Infrastructure (£ per net ha)
C5	11 dwellings	30%	35	0.315	0.350	90%	£6,000	Nil
C5A	11 dwellings	35%	35	0.315	0.350	90%	£6,000	Nil
C6	15 dwellings	30%	35	0.429	0.477	90%	£6,000	Nil
C6A	15 dwellings	30%	35	0.429	0.477	90%	£10,000	Nil
C6B	15 dwellings	30%	25	0.600	0.666	90%	£6,000	Nil
C6C	15 dwellings	30%	25	0.600	0.666	90%	£10,000	Nil
C7	50 dwellings	30%	35	1.429	1.571	90%	£10,000	£50,000
C8A	100 dwellings	30%	100	1.000	1.111	90%	£10,000	£100,000
C8	60 dwellings	30%	60	1.000	1.111	90%	£10,000	£50,000

Figure 4.4 Characteristics of Case Studies for Small and Medium Sites

4.8 These small - medium case studies are representative of sites below 2.5 ha allocated to deliver residential growth during the plan period. They are above the 11-dwelling threshold for affordable housing delivery and will also be covered by policies in respect of accessibility & adaptability as well as open space. Sites over 50 units may be subject to higher S106 costs and this is reflected in our modelling. We have also tested the 15-unit scheme with additional S106 as a sensitivity scenario. The case studies have been modelled at 35 dph, except for case studies C6B & C (15 units) which are modelled at 25

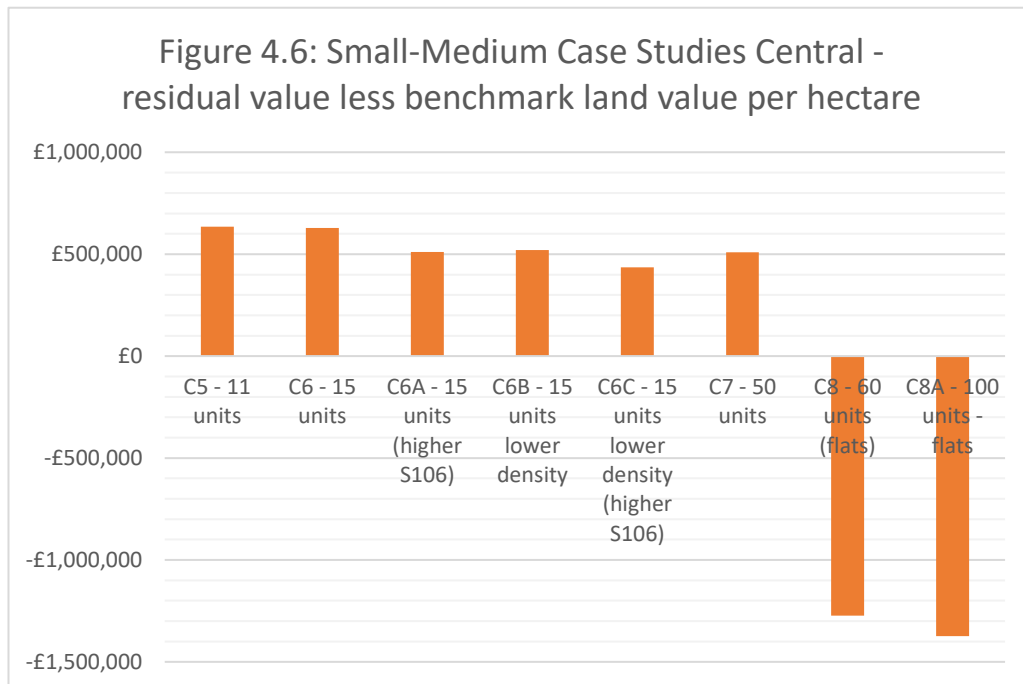
dph. Affordable housing is modelled at 30%. The modelling includes 2 flatted schemes, of 60 and 100 units, which have a gross land take of 1.11 ha per scheme.

Tiptree & Rural Value Area



- 4.9 In the Tiptree & Rural value area all small-medium residential case studies are viable at residual value less benchmark land value, with the exception of the 2 flatted schemes. The highest values are achieved for the 11-unit scheme and the 15-unit scheme at 35 dph at £0.745m and £0.740m respectively, per hectare, after deduction for land value. At lower density and higher S106, the 15-unit scheme is still viable (not shown in the chart, the 11-unit scheme was also modelled with a higher, 35%, affordable housing level and this too was viable with an excess of £0.58m per hectare over benchmark land value).
- 4.10 The two flatted schemes do not demonstrate viable sites. The high negative values indicate that this arises from a local combination of costs and values rather than from the cost of meeting policy requirements. It is likely that, in the Tiptree & Rural area, such schemes would struggle to deliver, even at a reduced land value, in the present financial climate.

Central Value Area



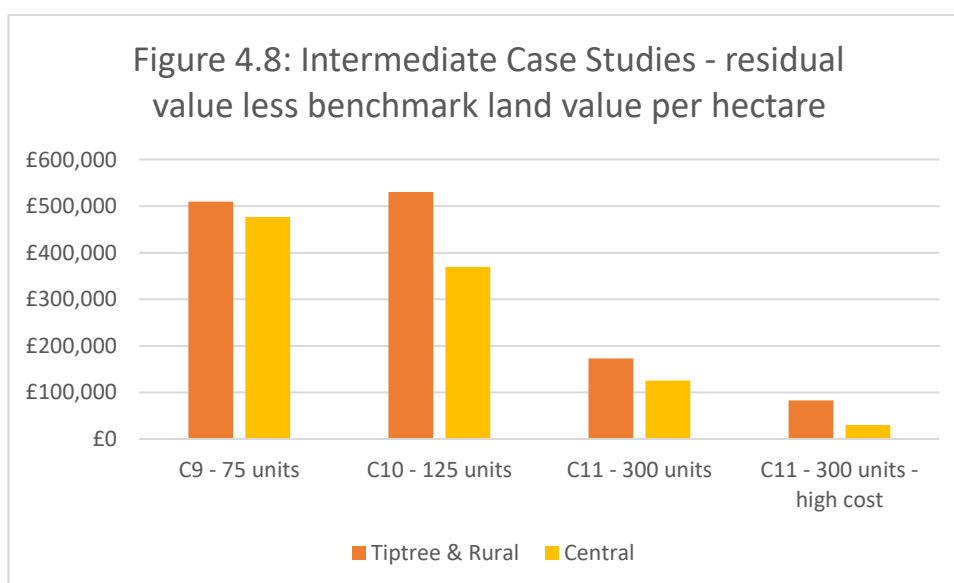
- 4.11 In the Central value area, again, all small-medium residential schemes produce viable results with the exception of the flatted schemes, with surpluses over benchmark land value ranging from £0.436m to £0.634m. The 11 and 15 unit schemes at 35 dph produce the highest surplus with the 15-unit scheme achieving viability with a lower density and higher S106. (Not shown in the chart, the 11-unit scheme was also modelled with 35% affordable housing and this too was viable with an excess of £0.5m per hectare over benchmark land value).
- 4.12 Both 100 unit and the 60 unit flatted schemes are not viable. The high negative values indicate that this arises from a local combination of costs and values rather than from the cost of meeting policy requirements. It is likely that, in the Central area, such schemes could struggle to deliver in the short term even at a reduced land value. When modelled with a 20% increase in selling prices (but no corresponding increase in costs), the 60-unit flatted scheme was viable at current land values.

Intermediate Case Studies (Case Studies 9 – 11)

Case Study Ref	No of Dwgs	%AH	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	S106 Contributions (£/dwelling)	Opening up costs for strategic Infrastructure (£ per net ha)
C9	75 dwellings	30%	35	2.143	2.678	80%	£10,000	£50,000
C10	125 dwellings	30%	40	3.125	3.900	80%	£10,000	£100,000
C11	300 dwellings	30%	35	8.571	13.187	65%	£10,000	£150,000
C11	300 dwellings	30%	35	8.571	13.187	65%	£15,000	£150,000

Figure 4.7 Characteristics of Intermediate Case Studies

- 4.13 The intermediate case studies are indicative of sites sized above 2.5 ha which will deliver residential growth during the plan period. Opening up costs are higher and net to gross ratios lower than for the small to medium sites. Case study 11 (300 dwellings) has also been modelled at a 'higher cost scenario' to allow for additional infrastructure or site remediation costs that may be incurred on larger site sizes. These are on top of the already higher costs modelled in the 'straightforward scenario', details of which can be found in Appendix I.
- 4.14 The results of the case study modelling in both value areas are shown in the charts below.



- 4.15 All intermediate case studies are viable in both value areas and this includes the 300-unit scheme at a higher cost scenario. In the Tiptree & Rural area the 125-unit scheme is most viable, producing a surplus of £0.53m above benchmark land value and in the Central area the 75-unit scheme is most viable at £0.476 above benchmark land value.
- 4.16 The 300-unit scheme results in a lower surplus than for the 2 smaller studies, indicative of the higher costs associated with developing a larger scheme. When costs are increased further to account for sites where there may be higher infrastructure or remediation costs, this scheme is still viable albeit with a small surplus over land value (£83,135 in Tiptree & Rural and £29,600 in Central areas).

Larger Case Studies 600 & 1100 dwellings (Case Studies 12 to 13)

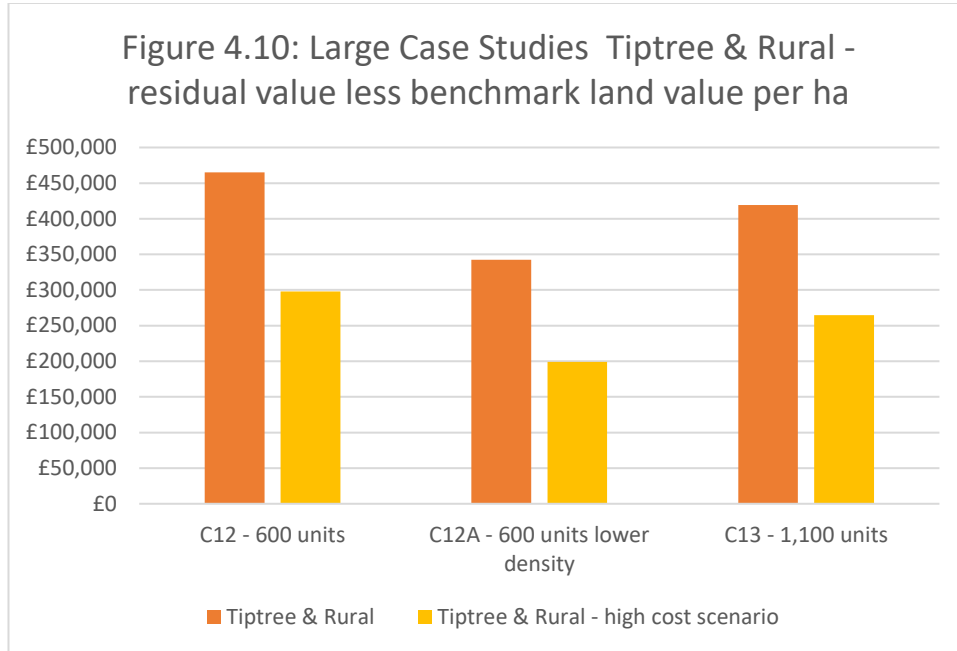
Case Study Ref	No of Dwgs	%AH	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	S106 Contributions (£/dwelling)	Opening up costs for strategic Infrastructure (£ per net ha)
C12	600 dwellings	30%	35	17.143	26.374	65%	£10,000	£200,000
C12	600 dwellings	30%	35	17.143	26.374	65%	£20,000	£200,000
C12A	600 dwellings	30%	30	20.000	30.769	65%	£10,000	£200,000
C12A	600 dwellings	30%	30	20.000	30.769	65%	£20,000	£200,000
C13	1100 dwellings	30%	35	31.429	48.352	65%	£10,000	£200,000
C13	1100 dwellings	30%	35	31.429	48.352	65%	£20,000	£200,000

Figure 4.9 Characteristics of Larger Case Studies

- 4.17 This section of the report deals with large case studies on sites above 20 gross ha. They include additional site and infrastructure costs as well as the lower land values likely to be achieved on schemes of this size. There is also a 'high cost scenario' which considers the impact of further costs for additional infrastructure or site remediation (£10,000 per plot) on top of the additional costs already allowed for in the 'straightforward scenario'.

Tiptree & Rural Area

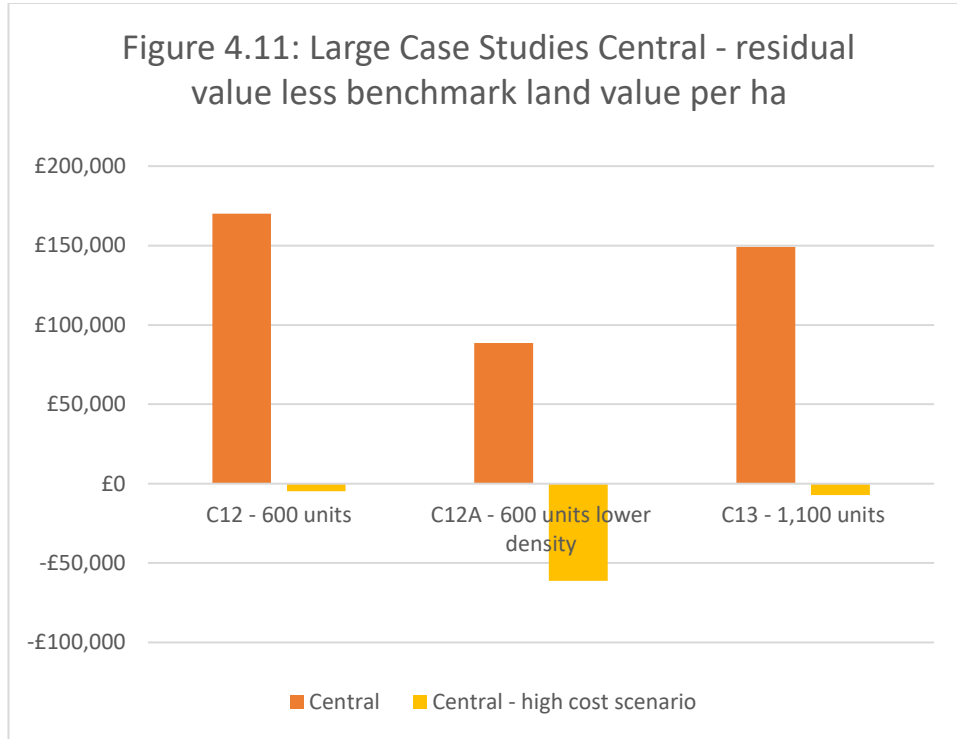
4.18 The results for the Tiptree & Rural large case studies are shown in the chart below.



4.19 In the Tiptree & Rural area all the large case studies show a per hectare surplus over benchmark land value, including schemes modelled at a high cost scenario. Case study C12 (600 dwellings) produces the highest surplus followed by C13 (1,100 dwellings); both these studies were modelled at 35 dph. At a lower density (30 dph) case study 12A still give a surplus but is less viable than the same scheme at 35dph.

Central Value Area

4.20 The chart below shows the results for large case studies in the Central area.



4.21 In the Central area, the large case studies produce viable results when the standard costs normally anticipated to occur on such development are applied. At the higher cost scenario the case studies still produce a positive residual value but this is less than the benchmark for these sites, giving a marginal deficit ranging from -£4,666 to -£61,143 per gross hectare.

Rural Exception Site (case study 4)

4.22 A 10-dwelling rural exception site was modelled to ascertain what, if any, market housing may be required to ensure viability. Tenure mix on rural exception sites will normally be determined by locally assessed need, but as this is a notional site we have assumed a mix that is typical whilst also considering what is needed to achieve viability.

Figure 4.12: Viable mix on Rural Exception Site – showing 10 dwelling scheme residual value

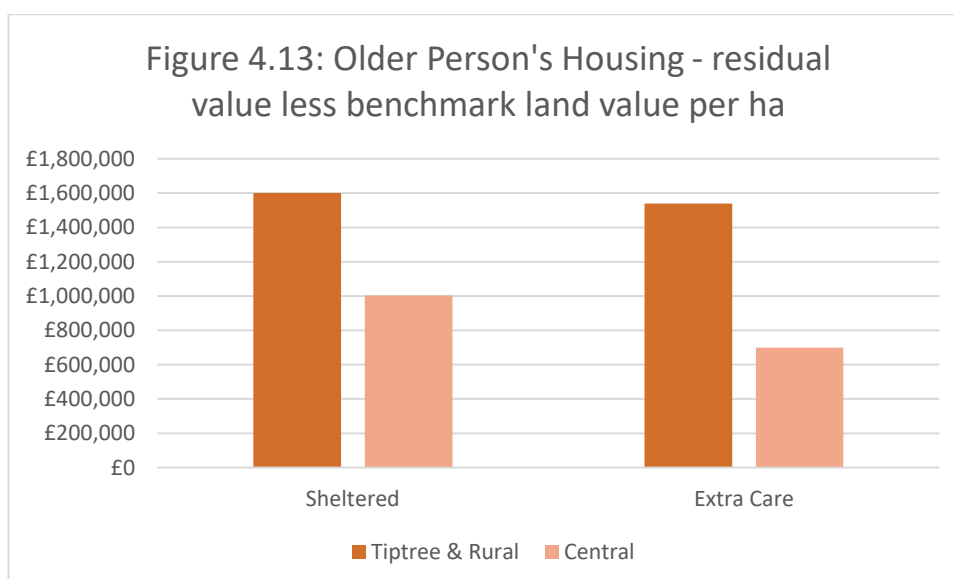
	Tenure: 30% market / 40% Affordable Rent / 20% shared ownership	Tenure: 20% market / 50% Affordable Rent / 20% shared ownership
Tiptree & Rural	£252,000	£134,000
Central	£128,000	£32,000

4.23 The results indicate that between 20% and 30% of rural exception sites would need to be dwellings for market sale in order to achieve enough value to pay for land. In arriving at this figure we have assumed there is no HCA grant available.

- In the Tiptree & Rural area, residual value (i.e. available for land purchase) was £252,000 when 30% of the site was for private sale and £134,000 at 20% market sale - £25,200 - £13,400 per plot. Based on our conversations with RPs, the lower level of market homes would be sufficient in most instances.
- In the Central area, residual value for the site with 30% market homes was £128,000 or £12,800 per plot. At a 20% market level the residual value is unlikely to be sufficient to purchase land unless that land was gifted.

Sheltered & Extra Care Sites (case studies 14 & 15)

4.24 Sheltered and extra care schemes were modelled in both value areas.



- 4.25 Sheltered and extra care schemes produced viable results in both value areas. Sheltered housing gave a surplus over benchmark land value of £1.6m in the Tiptree & Rural area and £1.5m in the Central area. For extra care this was £1m and £0.698m respectively. Both schemes were modelled with 30% affordable housing. However, we would assume that extra care housing would be classed as C2 and hence relieved from the affordable housing obligation.

Case Studies – Overview

- 4.26 The case studies modelled in this viability study were identified with the council as the best representation of sites expected to come forward in the delivery of the Local Plan. They include full allowance of the costs of policies contained therein. The case studies demonstrate good general viability of the plan policies and schemes allocated for residential delivery.
- 4.27 Plan policies for affordable housing at 30% and additional costs for accessible housing, Part M of Building Regulations (2015), are supported by the testing.
- 4.28 The main exception to good viability are the flatted schemes which in both areas show schemes that are likely to struggle to deliver at current costs and values. Over time, the likelihood that values will rise above costs could make these schemes more deliverable, especially in the Central area, but may still require some relaxation on plan policies.
- 4.29 The large sites of 600 and 1100 dwellings have produced viable results in both value areas taking into account the additional costs associated with larger developments. A sensitivity 'high costs scenario' has shown that these schemes could bear further infrastructure and/or remediation costs if necessary. However in the Central area the sensitivity test produced results in deficit marginally below benchmark land value. In these circumstances, there is room for land value to flex to take account of this and/or that economies of scale would mean that a large developer could achieve lower building costs.
- 4.30 All other schemes of 3 dwellings or above have produced positive results in viability modelling and indicate that the Local Plan is deliverable.



5 Non-residential Development

Introduction

- 5.1 This section of the report provides viability analysis of the non-residential development planned to come forward under the new local plan. There will also be non-residential development in the Garden Communities which is covered in a separate viability study.
- 5.2 The Pre-submission Local Plan notes that B class development is planned to come forward on three Strategic Employment Zones (North Colchester, and particularly Stanway and Knowledge Gateway) as well as employment in the Local Economic Areas across the Borough.
- 5.3 Retail growth is proposed for the town centre as well as other locations such as other mixed use locations and retail parks³⁴. Leisure uses are planned to come forward, including in town centre locations to support the current retail provision and the Northern Gateway.

³⁴ E.g. Tollgate, Turner Rise and Peartree Road

- 5.4 The University of Essex has plans to grow from c.18,000 students in 2018 to 25,000 students by the end of the plan period. This will generate a need for further student accommodation, with as many students as possible accommodated on campus.

Case Study and Testing Assumptions

- 5.5 The viability testing responds to the planned development by using the following case studies:

- Town centre offices
- Business park offices
- Industrial/warehouse uses
- Town centre comparison retail
- Retail park comparison retail
- Small convenience retail
- Supermarket
- Hotel
- Mixed Leisure
- Care Home
- Student accommodation

- 5.6 The characteristics for each case study are set out in Figure 5.1 below.

- 5.7 Build costs are drawn from BCIS, using median values rebased to this location. Build costs are just under the national average. Revenues have been based on transactions listed by Co-Star Suite³⁵ (lettings and investments), supplemented by market commentaries³⁶. For office and industrial values, we have been advised by the Council, which has been involved in developing and renting its own premises. For the other uses, where possible we have based our values on local data but for some uses data had been drawn from analogous developments in other areas (some retail, care homes, leisure)

³⁵ CoStar Suite is a national database which offers a full market inventory of properties and spaces, available as well as fully leased, searchable by market and submarket

³⁶ CBR, Savills, Knight Frank, Focus

in order to broaden the base for the estimates used here. Where there is a range of examples we have focussed on quality provision of a standard likely to be attractive to institutional investors.

- 5.8 Non-residential development in Colchester is encouraged to meet the BREEAM 'Very Good' standard (Policy DM25). It is likely that this will be a commercial decision although it is noted that if the standard is part of the original building design (rather than bolted on at a late stage) then costs of meeting BREEAM 'Very Good' are relatively small uplifts on build costs (between 0.2% and 0.04%³⁷). Therefore, we have not made any specific allowances in the modelling.

Retail Values

- 5.9 Retail case studies include convenience³⁸ and comparison, in and out of town centre. The main locations with data available for high street comparison retail values are within Colchester town centre. For out of centre comparison retailing (retail warehouses) values are driven by the strength of the operator covenant and we have used data from a broader area across the east of England.
- 5.10 In relation to convenience retail we note that in the past leases to the main supermarket operators have commanded a premium with investment institutions, although there has been a structural shift with the historic pattern of developing large stores now replaced with development of smaller supermarket formats (as used by both discount and premium convenience operators) and greater provision of small format stores, often within the Sunday trading threshold³⁹ (280 sq m display floor area), also often in existing floorspace. These changes reflect the alterations in shopping habits. Although there are some small regional variations on convenience retail values, they are

³⁷ http://www.steelconstruction.info/Target_Zero#BREEAM_results

³⁸ Convenience retailing is defined as the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery; and within this larger stores provide the range required for weekly shops and smaller stores provide more of a 'top-up' function. Comparison retail relates to other consumer goods.

³⁹ Sunday Trading Act 1994

reasonably standard across the country with investors focusing primarily on the strength of the operator covenant and security of income. As a result, it is reasonable to use a broad geographical evidence base for convenience retail.

Office Values and Industrial and Warehouse Values

- 5.11 We have used values from the Council, which has been involved in developing and letting premises. The values supplied by the Council have been at the upper end of the spread of market data and reflect their efforts to develop the economy and the commercial property market.

Hotel, Leisure and Food and Beverage Values

- 5.12 Nationally, there has been significant growth in the provision of budget hotels⁴⁰, with relatively few full-service hotels outside the major conurbations. The most likely hotel development is a budget hotel from a limited number of national hotel operators. We have used data from across a wide area to come to a view about the values these types of hotel command.
- 5.13 For leisure, we have used values for cinemas, using data drawn from a broad area. Food and beverage values have been estimated using local data.

Care Homes

- 5.14 Care home values have been estimated using data drawn from market commentaries and trade press news relating to care home sales, some of which are portfolios of care homes. This data which is drawn from across the UK and provides information on a values per room basis. We have excluded specialist care homes where possible as while these can have higher values, they will also have higher development costs.

⁴⁰ The British Hospitality Association Trends and Developments Report 2012 indicates that budget hotels are defined as a property without an extensive food and beverage operation, with limited en-suite and in-room facilities (limited availability of such items as hair dryers, toiletries, etc.), low staffing and service levels and a price markedly below that of a full service hotel.

Student Accommodation

- 5.15 The purpose-built student accommodation sector has evolved into a mature investment opportunity. Student numbers have increased and whilst the higher student fees did affect the market, it has seemingly recovered, especially in those areas that attract higher levels of overseas students. Whilst Colchester has not had the level of student accommodation development of other university locations it nonetheless still has potential for future growth. In terms of evidence on values we draw from across a broad area as data is more limited in this market. Experience elsewhere has shown that the best values for student accommodation are when the developments well located relative to the university. As it is anticipated that the proposed new student accommodation will be on or adjacent to the campus we have used higher than average values per room and it should be noted that values may be lower in less attractive locations.

Land Values for Non-Residential Development

- 5.16 Benchmark land values are an estimate of the lowest value that land may be released for development as opposed to the highest values seen in market transactions. The benchmark land values have been developed based on existing use values, with a premium where the use is expected to change. WE have used the DCLG/VOA industrial land value⁴¹ as a starting point, with a 20% premium where this may be used for a non-B class use. For retail uses we have used the higher residential benchmark as this may be an alternative use). The exception is the higher value town centre comparison retail where we have assumed that the site will have an existing retail use but with lower values and less floorspace. Here we have used this as the basis for generating value estimates along with an allowance for demolition and associated costs⁴².

⁴¹ DCLG, 2015, Land value estimates for policy appraisal

⁴² We used a 100 sq m retail unit on two floors with 50% site coverage, with rents from the lower end of the range recorded and weaker yield; along with an allowance for demolition and a 20% incentive for the landowner.

Table 5.1 - Benchmark land values

Type	£ per gross hectare
Prime town centre retail	Site EUV
Convenience and other comparison retail, food & drink	£1.0m
Budget hotels, care homes, leisure	£0.81m
Office, industrial and warehouse	£0.675m

Figure 5.2 - Case-study characteristics

	Out of centre offices	Town centre offices	Industrial/ warehouse units	Warehouse/ industrial units
Floorspace sqm	1,500	2,000	1,600	5,000
Storeys	2	4	1	1
Site coverage	40%	75%	40%	40%
Rent/sqm	£161	£188	£70	£70
Yield	7.00%	6.75%	6.75%	6.75%
Purchaser costs % GDV	5.80	5.80	5.80	5.80
Build costs/sqm including water efficiency	£1,273	£1,528	£795	£510
External works % of base build costs	10%	10%	10%	10%
Professional fees	10.00%	12.00%	12.00%	12.00%
Sales and letting costs % of GDV	3%	3%	3%	3%
Allowance for s106 (not covered by CIL)	£20,000	£0	£20,000	£50,000
Finance costs	6.0%	6.0%	6.0%	6.0%
Build and void period (months)	22	26	20	32
Developer return % GDV	20%	20%	20%	20%
SDLT & agent fees/sqm (if viable)	£0	£0	£0	£0

Figure 5.2 (continued) - Case-study characteristics

	Prime town centre comparison shops	Out of centre comparison shops	Small convenience store	Mid convenience store	Supermarket
Floorspace sqm	200	1,000	300	900	2,500
Storeys	2	1	1	1	1
Site coverage	80%	40%	65%	55%	40%
Rent/sqm	£292	£157	£208	£177	£194
Yield	7.10%	6.60%	6.70%	6.20%	5.40%
Purchaser costs % GDV	5.80	5.80	5.80	5.80	5.80
Build costs/sqm	£998	£690	£1,213	£1,213	£1,558
External works % of base build costs	10%	10%	10%	10%	10%
Professional fees	12.00%	10.00%	12.00%	10.00%	10.00%
Sales and letting costs % of GDV	3%	3%	3%	3%	3%
Allowance for s106	£0	£100,000	£0	£100,000	£100,000
Finance costs	6.0%	6.0%	6.0%	6.0%	6.0%
Build and void period (months)	24	26	6	11	15
Developer return % GDV	20%	20%	20%	20%	20%
SDLT & agent fees/sqm (if viable)	£49.22	£30.09	£14.19	£9.61	£24.30

Figure 5.2 (continued) - Case-study characteristics

	Budget hotel	Care home	Student accommodation
Floorspace sqm	2,450	3,000	5,565
Storeys	3	2	4
Site coverage	50%	40%	75%
Capital value per room	£80,000	£95,000	£105,000
Purchaser costs % GDV	5.80	5.80	5.80
Build costs/sqm	£1,123	£1,396	£1,618
External works % of base build costs	10%	10%	10%
Professional fees	12%	12%	12.00%
Sales and letting costs % of GDV	3%	3%	3%
Allowance for s106	£10,000	£75,000	£0
Finance costs	6.0%	6.0%	6.0%
Build and void period (months)	16	12	18
Developer return % GDV	20%	20%	20%
SDLT & agent fees/sqm (if viable)	£19.50	£0	£0

Figure 5.2 (continued) - Case-study characteristics

Leisure development	
Floorspace sqm	3,800
Storeys	2
Site coverage	80%
Rent/sqm	£161
Yield	6.60%
Purchaser costs % GDV	5.80
Build costs/sqm	£1,333
External works % of base build costs	10%
Professional fees	12.00%
Sales and letting costs % of GDV	3%
Allowance for s106	£20,000
Finance costs	6.0%
Build and void period (months)	12
Developer return % GDV	20%
SDLT & agent fees/sqm (if viable)	£0

Summary Viability Assessments

5.17 The tables below summarise the results from the detailed assessments for each non-residential development type. They provide the following information:

- Net value per square metre.
- Net costs per square metre - including an allowance for land cost and s106 to deal with site specific issues (e.g. On-site highways, travel plan etc. to make development acceptable).
- Residual value per sq m (i.e. Value less costs).
- The land value benchmark for that use - presented £s per sq m of development to take into account differences in site coverage and the number of storeys for the notional developments.
- The viability headroom – for uses that are viable, this is the residual value over and above the benchmark land value.

5.18 It is important to note that the analysis considers development that might be built for subsequent sale or rent to a commercial tenant. However, there will also be design and build development that is undertaken for specific commercial operators, either as owners or pre-lets. In these circumstances, the economics of the development relate to the profitability of the enterprise accommodated within the buildings rather than the market value of the buildings.

5.19 Public sector economic development priorities may also result in funding being used to deliver some forms of development or provide infrastructure that reduces the cost/risk of private sector development. This might include making use of local authorities' ability to borrow cheaply or use capital budgets to create income earning assets, as well as programmes such as the South East LEP's Growth Deal which plans to invest over £100m 2017-20.

B-Class Uses – Offices, industrial and warehouses

5.20 The viability assessments indicate that all of these B class uses produce a negative residual value. The lack of viability for B class uses is common across many areas of the country.

Figure 5.3 - Offices

	Out of centre offices	Town centre offices
Value per sq m	£2,071	£2,506
Costs per sq m	£2,210	£2,717
Residual per sq m	-£139	-£212
Land benchmark per sq m	£84	£23
Viability 'headroom' per sq m	-£224	-£234

Figure 5.4 - Industrial and Warehouses

	Industrial units	Warehouses
Value per sq m	£931	£931
Costs per sq m	£1,316	£958
Residual per sq m	-£384	-£27
Land benchmark per sq m	£169	£169
Viability 'headroom' per sq m	-£553	-£196

Retail Uses

5.21 The viability of retail development will depend primarily on occupier demand and the type of retail being promoted. For this reason, we have tested different types of retail provision. All of the convenience retail uses tested were viable, with the small stores having the strongest viability.

Figure 5.5 - Convenience Retail and Supermarkets

	Small convenience store	Mid convenience store	Supermarket
Value per sq m	£2,788	£2,563	£3,226
Costs per sq m	£2,197	£2,269	£2,843
Residual per sq m	£590	£294	£383
Land benchmark per sq m	£154	£182	£250
Viability 'headroom' per sq m	£437	£112	£133

5.22 Speculative town centre development is marginally viable, although in the case of the prime town centre retail this is sensitive to the site value as the case study does produce a positive residual value. We have tested against a site with less valuable retail uses but if sites with a lower existing use value were available, it may be possible for this form of development to be more viable. Out of centre retail warehouses are viable.

Figure 5.6 - Town Centre and Out-of-Centre Comparison Retail

	Prime town centre comparison shops	Out of centre comparison shops
Value per sq m	£3,693	£2,136
Costs per sq m	£2,289	£1,586
Residual per sq m	£1,404	£550
Land benchmark per sq m	£1,396	£250
Viability 'headroom' per sq m	£8	£300

Other Tested Uses

- 5.23 The other uses tested include hotels, mixed leisure developments and care homes. Of these uses, only budget hotels are viable, while student accommodation is marginal. We note that it would only require a 2% increase in values for student accommodation to become viable and given that this is within the variance in the data used to estimate the values it seem likely that this type of development will be viable, particularly if developed on campus where the land may be obtained at below commercial rates. This is confirmed by evidence of student accommodation delivery on the campus and recent delivery/schemes in the pipeline elsewhere in the Borough, which demonstrates that this type of development has been viable recently.
- 5.24 Care home development often has weaker viability and the findings in Colchester are similar to these generally seen elsewhere. Issues affecting care home viability include pressures on social care budgets and the impact on revenues, as well as the quality standards required for these schemes.

Figure 5.7 - Other Accommodation, Leisure and Care Uses

	Budget hotel	Student accommodation	Leisure	Care home
Value per sq m	£2,160	£2,836	£2,158	£1,796
Costs per sq m	£2,043	£2,833	£2,281	£2,275
Residual per sq m	£117	£3	-£123	-£479
Land benchmark per sq m	£54	£25	£51	£101
Viability 'headroom' per sq m	£63	-£22	-£174	-£581

Other Uses

5.25 The viability testing has been based on the development expected to come forward. It is acknowledged that there are other uses that could arise and it is recommended that the following approach is taken:

- A2 Financial and Professional Services – treat as A1 in viability terms as many of these uses are likely to occupy the same sorts of premises as some town centre retail.
- A3 Restaurants and Cafes – again treat as A1 in viability terms as many of these uses are likely to occupy the same sorts of premises as some town centre retail.
- A4 Drinking Establishments - again treat as A1 in viability terms as many of these uses are likely to occupy the same sorts of premises as some town centre retail.
- A5 Hot Food Takeaways - again treat as A1 in viability terms as many of these uses are likely to occupy the same sorts of premises as some town centre retail.

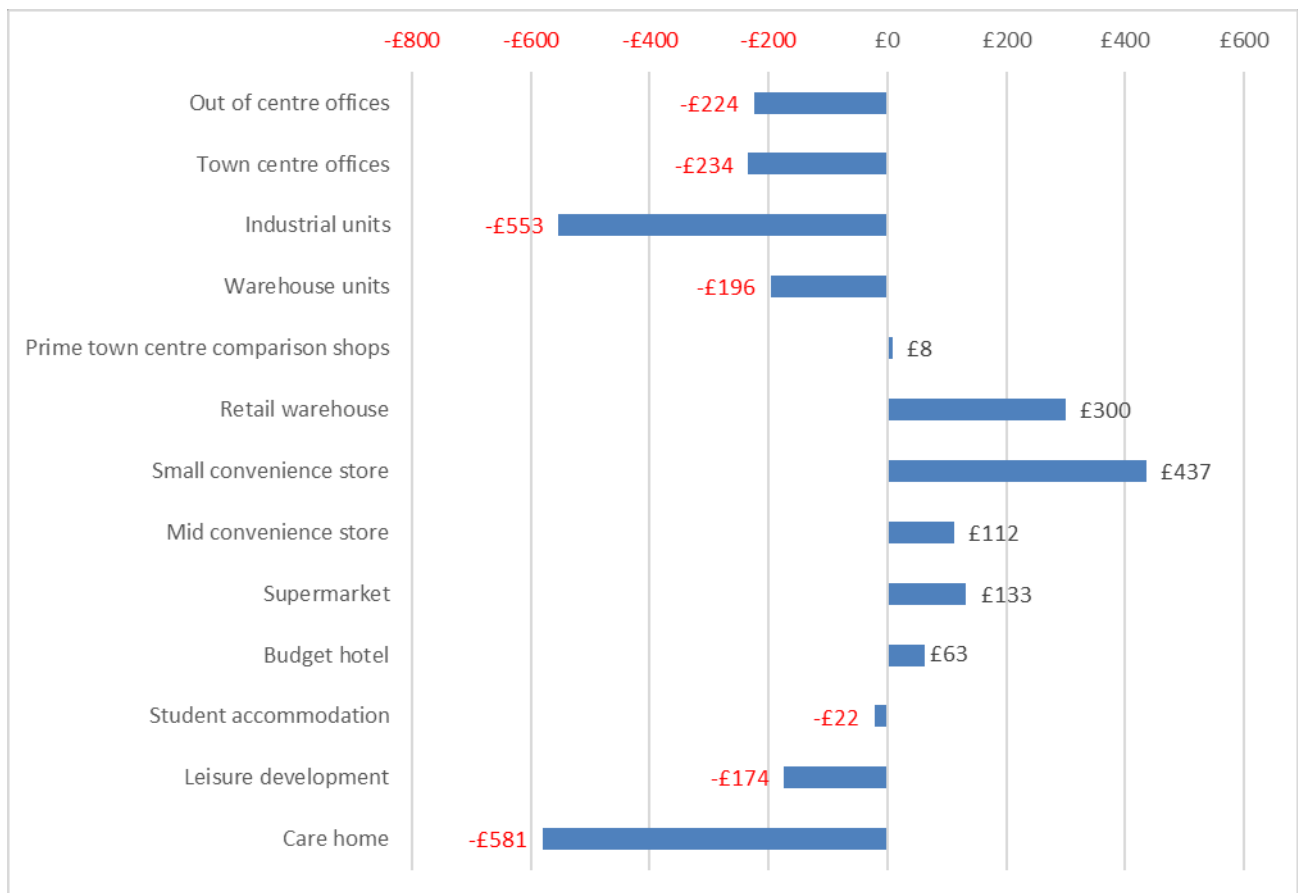
- Selling and/or displaying motor vehicles - sales of vehicles are likely to occupy the same sorts of premises and locations as many B2 uses and therefore the viability will be covered by the assessment of the viability of B2 uses.
- Retail warehouse clubs – these retail uses are likely to be in the same type of premises as the out of town A1 retail uses and covering the same purchase or rental costs.
- Nightclubs – these uses are likely to be in the same type of premises as A1 town centre retail uses and covering the same purchase or rental costs.
- Scrapyards – there may be new scrapyard/recycling uses in the future, particularly if the prices of metals and other materials rise. These are likely to occupy the same sorts of premises as many B2 uses and therefore the viability will be covered by the assessment of the viability of B2 uses.
- Taxi businesses – these uses are likely to be in the same type of premises as A1 town centre retail uses and covering the same purchase or rental costs. Therefore, they are covered by this viability assessment.
- Amusement centres – these uses are likely to be in the same type of premises as A1 town centre retail uses and covering the same purchase or rental costs. Therefore, they are covered by this viability assessment.

Summary

- 5.26 Of the uses tested, only retail comparison, in and out of centre, convenience retail and budget hotels are clearly viable. These types of development can come forward subject to the availability of sites. Student accommodation is marginal with only a very small increase in values needed to produce a viable outcome, and it is likely that this type of development can also proceed.
- 5.27 Based on the costs and values in this testing, speculative office, industrial and warehouse developments are unlikely to be brought forward by the market. However, this does not preclude local authorities developing new employment spaces, in order to deliver economic development benefits⁴³. In addition, public sector funding from sources such as the South East LEP can be used to reduce the costs of providing new employment space. It is also likely that businesses will continue to commission design and build workspace development.
- 5.28 High street comparison retail is marginally viable as modelled here. However, this is in part due to the relatively high existing use value assumed for the prime retail site. If a lower value site is available, then this type of retail is more likely to come forward. Based on the costs and values in this testing, care homes and leisure developments are not viable.
- 5.29 Figure 5.8 below summarises the viability of the different non-residential uses.

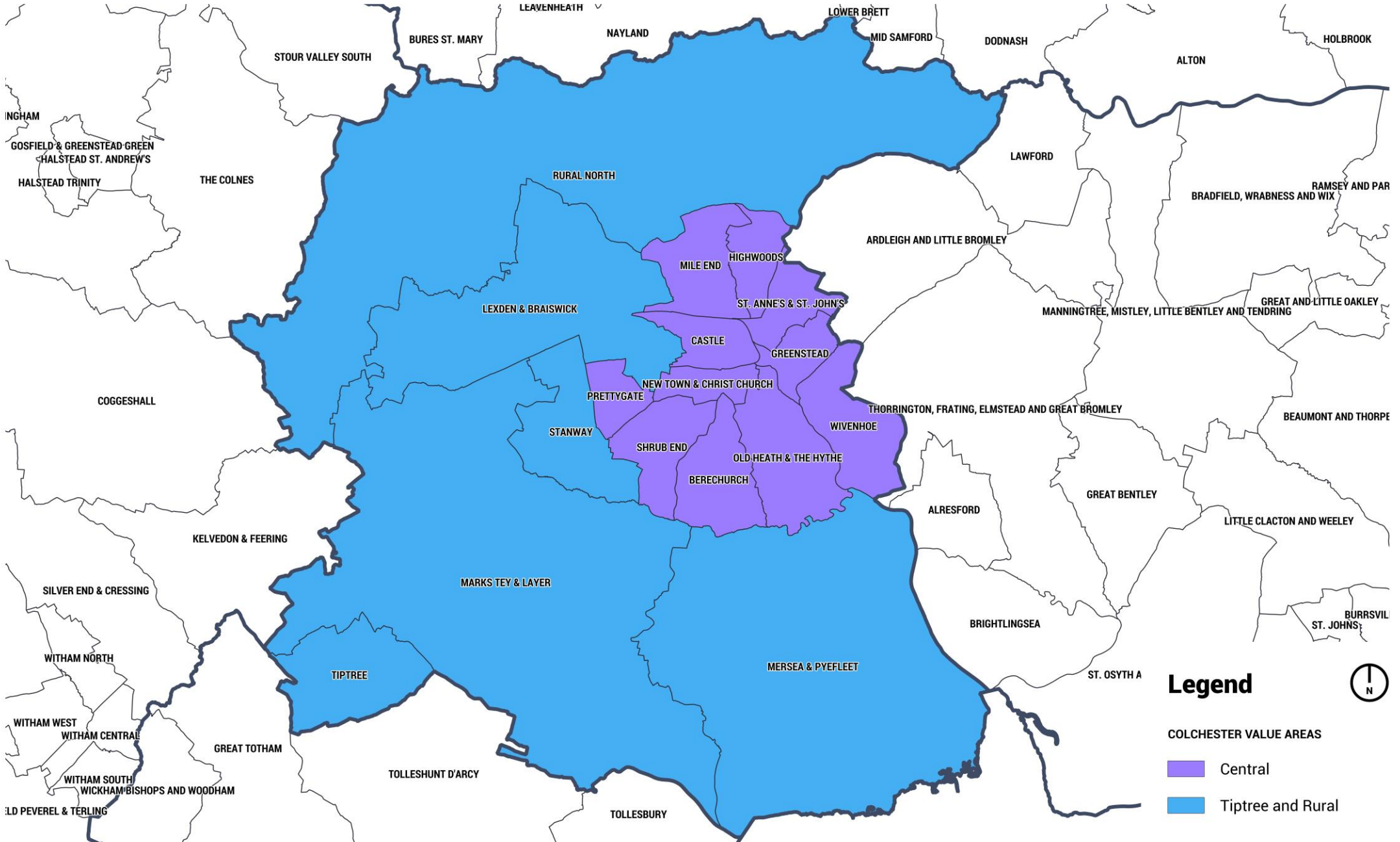
⁴³ This combines a long-term view on returns as well as an ability to borrow cheaply.

Figure 5.8 - Non-residential Development Viability Summary - £/sq m viability 'headroom'



Appendix I – Technical Detail for Residential Testing

COLCHESTER - Value Area



Legend



COLCHESTER VALUE AREAS

- Central
- Tiptree and Rural

1 0 1 2 3 4 5 km

House Prices

House Type	Detached			Semi-detached		Terrace				Flats		Bungalows	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed	4 Bed	3 Bed	2 Bed	1 bed	2 Bed	1 Bed	2 bed	1 bed
<i>Market GIA (sq m)</i>	160	130	100	120	100	106	84	70	58	61	50	70	55
Tiptree & Rural (HV)	£508,320	£413,010	£317,700	£362,040	£301,700	£327,445	£259,484	£216,237	£179,168	£173,994	£142,618	£280,000	£220,000
Central (LV)	£456,640	£371,020	£285,400	£334,680	£278,900	£296,503	£234,965	£195,804	£162,238	£169,613	£139,027	£251,533	£197,633

Notes

- Flats ground rent £250/dwelling capitalised at 5%.
- 5% selling price premium applied to sites of 3 dwellings or less

Market Housing dwelling mix

Type	25dph	30dph	35dph	40dph - urban area
1 bed flat		5%	5%	10%
2 bed flat		5%	5%	10%
2 bed bungalow	5%			
2 bed terrace		10%	10%	15%
3 bed terrace		10%	15%	10%
4 bed terrace				
3 bed semi	20%	15%	10%	10%
4 bed semi				
3 bed detached	15%	15%	15%	15%
4 bed detached	40%	30%	30%	30%
5 bed detached	20%	10%	10%	

Affordable Housing

Testing to advise on level of (viable) affordable housing: 35% and 30% tested on sites over 10 dwellings. Levels lower than this (e.g. 25%) not tested because sites were clearly viable at 30/35%. (Garden Communities are to provide 30% affordable housing.)

All affordable housing comprises 80% Affordable Rent and 20% shared ownership on sites of more than 10 units. (i.e. 11 or more).

Affordable Housing Dwelling mix**Mix takes account of SHMA**

Affordable Housing Development Mix House Type	Affordable Rent (80% of AH)	Intermediate (shared Ownership) (20% of AH)
1 bed flat	10%	
2 bed flat	10%	25%
2 bed bungalow	5% (at 25 dph only – otherwise increase 2 bed flats by 5%)	-
2 bed terrace	45%	50%
3 bed terrace	25%	25%
4 bed terrace	5%	-

Affordable housing values

Rents are net of service charge of £10 pw for flats and £5 pw for houses & based on 100% of LHA rates (rounded)

Weekly rents net of service charge	Colchester BRMA
1 bedroom flat	£93
2 bedroom flat	£122
1 bedroom terrace	£98
2 bedroom terrace	£127
3 bedroom terrace	£156
4 bedroom terrace	£199

Other Affordable Housing Costs*For rental properties.*

Management and maintenance	£1,000
Voids/bad debts	2.00%
Repairs reserve	£600
Capitalisation	5%

For shared ownership

Share size	40%
Rental charge	2.75%
Capitalisation	5%

General costs and assumptions – all dwellings

Dwelling sizes

House type description	Affordable sq m	Market sq m
1 bedroom flat	50 (2p)	50
2 bedroom flat	70 (4p)	61
1 bedroom bungalow	55 (2p)	55
2 bedroom bungalow	70 (4p)	70
1 bedroom terrace	58 (2p)	58
2 bedroom terrace	79 (4p)	70
3 bedroom terrace	93 (5p)	84
4 bedroom terrace	106 (6p)	106
3 bed semi detached	93 (5p)	100
4 bed semi detached	106 (6p)	120
3 bed detached		100
4 bed detached		130
5 bed detached		160

Dwelling size compliant with Nationally Described Space Standards

An allowance of 10% of floor area will be added to the 1-2 storey flats used in the 1ha tile testing for circulation and common areas.

An allowance of 15% of floor area will be added to the 3 storey flats used in case studies C8 and C8A.

For the sheltered scheme, case study C14, one bed flats are 50sqm and two bed flats are 75sqm.

An allowance of 20% of floor area for communal and service areas will be added.

For the extracare scheme, case study C15, one bed flats are 65sqm and two bed flats are 80sqm.

An allowance of 35% of floor area for communal and service areas will be added.

Other Development and Policy Costs

Type	Cost	Comment
Flats (1-2 storeys)	£1,417	sq m includes 15% for external works
Flats (3-5 storeys)	£1,467	sq m includes 15% for external works
Houses	£1,250	sq m includes 15% for external works
2 - 3 Houses	£1,312	sq m includes 15% for external works (5% increase over standard houses)
Single House	£2,047	sq m includes 15% for external works
Bungalows	£1,492	sq m includes 15% for external works
Sheltered Housing	£1,449	sq m includes 15% for external works (assume 3 storey)
Professional fees	8%-12%	10 units or less – 12% 11 – 50 units – 10% 51 – 100 units – 9% 101+ units – 8%
Finance	6%	of development costs (net of inflation)
Marketing fees	3% 6%	of GDV of GDV for sheltered and extracare schemes
Developer return	20%	of GDV
Contractor return	6%	of affordable build costs
s106/278	£6,000 £10,000	Per dwelling (based on average from info supplied by council on past contributions) Per dwelling for sites over 50 dwellings to take into account extra education provision

Type	Cost	Comment
Accessibility	<p>Allow for 10% market housing to be to Part M(4) 2 standard.</p> <p>Allow for 95% affordable homes to be to Part M(4) 2 standard.</p> <p>Allow for 5% affordable homes to be to Part M(4) 3 accessible standards.</p>	Costs based on DCLG Housing Standards Review, Cost Impacts, September 2014.
Strategic infrastructure costs/ opening up	<p>>50 units 50k/net ha</p> <p>>100 units £100k/net ha</p> <p>>200 units £150/net ha</p> <p>>400 units £200/net ha</p>	net ha for larger sites
High cost scenario	<p>5k per unit on sites 300 or more</p> <p>10k per unit on sites 600 or more</p>	Sensitivity test to allow potential for higher site remediation or infrastructure
Void Costs	£100,000	Applies to sheltered and extracare schemes
Agents and legal	1.75%	

Densities

1ha tiles tested at 25, 30, 35, 40 dph. Higher densities will be included in case studies.

Unless otherwise specified - main density for case studies of 35 dph for case studies

Net to gross ratios:

- Up to 0.2ha - 100%
- 0.2 - 2ha - 90%
- 2 - 8ha - 80%
- 8+ha - 65%

Build out rate approximately 50 dwellings per annum per outlet.

Benchmark Land Values

Colchester	Small to medium sites	Intermediate site	Large strategic Over 20 ha (gross)
Tiptree & Rural	£1m	£0.75m	£0.44m
Central	£0.6m	£0.5m	£0.44m

Appendix II – Local Plan Policies

No	Title	Policy Requirements	Viability Implication
		Growth Locations	
Policy SG1	Colchester's Spatial Strategy	<p>Throughout the Borough, growth will be located at the most accessible and sustainable locations in accordance with the spatial strategy for North Essex as set out in Policy SP6. Development will be focused on highly accessible locations to reduce the need to travel.</p> <p>This Spatial Hierarchy focuses growth on the urban area of Colchester, the second tier of preferred growth includes Garden Communities straddling boundaries with adjacent authorities and providing new greenfield sites in sustainable communities which will grow gradually. The second tier also includes proportionate growth in existing Sustainable Settlements.</p> <p>In the remaining Other Villages and Countryside areas of Colchester, new development will only be acceptable where it accords with policies OV1 and OV2.</p>	<p>Range of schemes tested in viability study to cover development scenarios and the different scales of delivery likely to come forward across the settlement hierarchy. Case study scenarios provide greater definition of different urban and rural development typologies.</p>
Policy SG2	Housing Delivery	<p>The Local Planning Authority will plan, monitor and manage the delivery of at least 14,720 new homes in Colchester Borough between 2017 and 2033.</p> <p>Development sites for the 2017-33 period include new greenfield sites which have been selected on the basis of their sustainable location and deliverability. The overall distribution of new housing, as shown in Table SG2, will be guided by the Settlement Hierarchy set forth in the Spatial Strategy and Policy SG1.</p> <p>To maintain the vitality and viability of the Borough's smaller towns and villages, an appropriate level of new development will be brought forward in Sustainable Settlements to support new homes and economic and social development.</p>	<p>None</p> <p>The development requirements identified are covered by the generic typologies tested or addressed as part of more specific case studies.</p>

No	Title	Policy Requirements	Viability Implication
Policy SG3	Economic Growth Provision and Centre Hierarchy	The Local Planning Authority will encourage economic development and will plan for the delivery of at least 55.2 ha (B-Class uses) of employment land in Colchester Borough up to 2033. This will include new sites that are considered sustainable and within strategic economic areas, local economic areas, mixed use sites and existing sites. Existing economic uses on the sites identified will be safeguarded in accordance with the relevant policies.	The development requirements identified are covered by the generic typologies tested or addressed as part of more specific case studies. Testing considers development across a range of non-residential typologies.
Policy SG 4	Local Economic Areas	The Local Economic Areas as defined on the policies maps and listed in policy tables SG3 and SG4, will be safeguarded primarily for B class uses to enable balanced job and housing growth. Planning permission will be granted for the redevelopment or change of use for non-Class B subject to careful consideration in-line with identified parameters. Opportunities to enhance and renew more dated buildings within Local Economic Areas will be supported subject to use and scale.	No specific viability testing and the policy is not directly relevant for testing as it primarily looks to safeguard existing uses. Testing does allow for brownfield / previously developed land benchmarks and case studies cover a range of development scenarios which may reflect redevelopment of existing land or premises.
Policy SG5	Centre Hierarchy	In accordance with the NPPF the centres identified in the Local Plan hierarchy will be the preferred location for main town centre uses such as retail, office, leisure and entertainment. Proposals for such uses outside of these centres as defined on the	No specific viability implications and the policy does not specifically relate to development

No	Title	Policy Requirements	Viability Implication
		proposals map will be subject to a sequential test and where applicable to provide an impact assessment.	requirements. However, testing does take account of the different conditions for development across the plan area.
Policy SG6	Town Centre Uses	Proposals for town centre uses that are not within a defined centre and are not in accordance with the Local Plan will need to demonstrate that a sequential approach has been under taken to site selection. Sites should be assessed in terms of their availability, suitability and viability for the broad scale and type of development proposed; and only when alternative sites have been discounted should less sequentially preferable sites be considered. In cases where the Local Planning Authority is satisfied that the sequential test has been met, proposals will be supported where they also comply with further requirements set out by the council.	No specific viability implications. The policy is primarily concerned with criteria for where certain development types are considered appropriate. Testing for non-residential development takes account of a broad range of types and locations for these uses, including Town Centres.
Policy SG6a	Local Centres	Local centres will be protected and enhanced to provide shops, services and community facilities for local communities. Proposals for change of use within designated local centres will need to demonstrate that it will provide a retail use, retail service, community use, financial/ businesses service or a leisure service and will meet the basic needs of local communities. Proposals to expand a local centre will be considered favourably where it can be demonstrated that the use is small scale proportionate to the role and function of such centres. Proposals outside of local centres will be assessed in accordance with the sequential test. Proposals will be required to demonstrate that it will not adversely affect the amenity of the locality,	No specific viability implications. The types and locations for development covered by the policy are captured within non-residential testing scenarios.
Policy SG7	Infrastructure Delivery and	All new development should be supported by, and have good access to, all necessary infrastructure.	This is a generic policy whose requirements are typically

No	Title	Policy Requirements	Viability Implication
	Impact Mitigation	<p>Development will be viewed favourably where there is sufficient appropriate infrastructure capacity to support the development or sustainable capacity will be delivered by the proposal.</p> <p>Where a development proposal requires additional infrastructure capacity, to be deemed acceptable mitigation measures must be agreed with the Local Planning Authority and the appropriate infrastructure provider.</p>	<p>addressed by overall assumptions for levels of planning obligations.</p> <p>Specific requirements and estimates of likely contributions are established having regard to historic levels of S106 contributions and the Infrastructure Delivery Plan as well as reviewing the requirements for specific sites and development locations contained in the Plan.</p>
Policy SG7	Neighbourhood Plans	<p>Town and villages are encouraged to plan for the specific needs of their communities by developing Neighbourhood Plans. The Local Planning Authority will support Parish Councils and Neighbourhood Forums to prepare Neighbourhood Plans, the plans should aim to promote additional growth to that promoted in the Local Plan and should be in general conformity with national planning policies and guidance and strategic local policies.</p>	<p>There are no specific viability implications for this policy but testing provides a range of outputs and scenarios likely to reflect the type and circumstances of sites that may be promoted in the future through Neighbourhood Plans.</p>
		Environmental Assets Policies	
Policy ENV1	Environment	<p>The Local Planning Authority will conserve and enhance Colchester's natural and historic environment, countryside and coastline and will safeguard the Borough's biodiversity, geology, history and archaeology which help define the landscape character of the Borough.</p>	<p>There are no specific viability implications. The means of complying with the policy are provided within typical</p>

No	Title	Policy Requirements	Viability Implication
		<p>In particular, developments that have an adverse impact on the integrity of European sites, Sites of Special Scientific Interest or the Dedham Vale Area of Outstanding Natural Beauty (including its setting) will not be supported. Development proposals within designated areas or within the Coastal Protection Belt will also need to comply with policies ENV2 and ENV4.</p> <p>Development proposals where the principal objective is to conserve or enhance biodiversity and geodiversity interests will be supported in principle. Development will not be supported in location where it is considered detrimental to the natural environment subject to sequential tests.</p>	<p>assumptions for development costs and professional fees (e.g. ecological surveys) and in most cases it is expected that requirements can be accommodated within typical development sites (e.g. green infrastructure and open space)</p>
Policy ENV2	Coastal Areas	<p>Until such time as the South East (Inshore Marine Plan) is completed, any planning proposals within the Borough's coastal, estuarine, intertidal and tidal environment, will need to accord with guidance set out in the national Marine Policy Statement.</p> <p>Within the Coastal Protection Belt and along the undeveloped coast an integrated approach to coastal management will be promoted and development will only be supported where it conforms with the council's requirements.</p> <p>In exceptional circumstances, development may be permitted where it is proven that the proposal provides an overwhelming public or community benefit that outweighs the impact on the coastal protection belt. In such instances applications must demonstrate that the site is the only available option and be acceptable in terms of its other planning merits.</p>	<p>There are no specific viability implications. The overall policy approach is to direct where development should be directed or appropriately managed and it is not envisaged that Coastal Areas will be expected to deliver a significant proportion of development plan requirements.</p>
Policy ENV3	Green Infrastructure	<p>The Local Planning Authority will aim to provide a comprehensive green infrastructure network comprising strategic green links between the rural hinterland, river corridors and open spaces across the Borough. It will seek to protect and enhance the existing network of green links and open spaces and to create new green infrastructure that will benefit</p>	<p>There are no specific viability implications. The policy seeks to provide further guidance rather than additional development</p>

No	Title	Policy Requirements	Viability Implication
		<p>both wildlife and people. The Local Planning Authority will also work with access stakeholder/groups to support the development of a 'new' multi user route, the Colchester Orbital, around urban Colchester.</p> <p>Proposals that cause loss or harm to the green infrastructure network will not be permitted unless the need for and benefits of the development outweigh any adverse impacts.</p> <p>The provision of green infrastructure will be central to the masterplanning and future development of new garden communities to be developed in the Borough.</p> <p>The use of land and buildings as new allotments, orchards, community gardens and for local food growing spaces and production will be supported.</p>	<p>requirements. The means of complying with the policy are provided within typical assumptions for development costs and professional fees (e.g. ecological surveys). In most cases it is expected that requirements can be accommodated within typical development sites (e.g. through Masterplanning) and allowances for planning obligations (e.g. open space).</p>
Policy ENV4	Dedham Vale Area of Outstanding Natural Beauty	<p>Development will only be supported in or on land within the setting of the Dedham Vale Area of Outstanding Natural Beauty (AONB) which is not detrimental to the amenities of the AONB.</p> <p>Applications for major development within or in close proximity to the boundary of the Dedham Vale Area of Outstanding Natural Beauty will be refused unless in exceptional circumstances and where it can be demonstrated that the development is in the public interest and this outweighs other material considerations.</p> <p>Where exceptional development is suitable, landscape enhancements, mitigation or compensation measures must be provided. The Local Planning Authority will seek opportunities to mitigate the impact of features identified as having adverse impacts.</p>	<p>There are no specific viability implications. The overall policy approach is to direct where development should be directed or appropriately managed. Specific mitigation is likely to be determined on a site-by-site basis but it is not expected that these areas will provide for a significant proportion of development plan requirements.</p>

No	Title	Policy Requirements	Viability Implication
		Proposals for renewable energy farms on land within the setting of the Dedham Vale AONB should have regard to the advice in the Local Planning Authority's Guidance Note (March 2013).	
Policy ENV5	Pollution and Contaminated Land	Proposals will be supported that will not result in an unacceptable risk to public health or safety, the environment, general amenity or existing uses due to the potential of air pollution, noise nuisance, surface / ground water sources or land pollution.	There are no specific viability implications. Testing scenarios provide for case studies which make allowances for additional 'opening-up' and enabling costs to address abnormal development requirements. Testing also includes adjustments for gross:net land area, taking account of undevelopable parts of larger sites and includes examples where the level of planning obligations may exceed typical averages.
		Climate Change Policy	

No	Title	Policy Requirements	Viability Implication
Policy CC1	Climate Change	Colchester Borough Council will continue to adopt strategies to mitigate and adapt to climate change. In addressing the move to a low carbon future for Colchester, the Local Planning Authority will plan for new development in locations and ways that reduce greenhouse gas emissions, adopt the principles set out in the energy hierarchy and provide resilience to the impacts of a changing climate. The policy identifies that where appropriate certain sites may be required to utilise or provide connections to decentralised energy or CHP networks.	The policy generally provides encouragement to developers and is unlikely to impose costs beyond these included in typical assumptions for development.
Policy PP1	Generic infrastructure and mitigation requirements	In addition to site specific requirements identified in relevant policies, all proposals will be required to make contributions to the cost of infrastructure improvements and/or community facilities as required and any other generic infrastructure or mitigation required on a site by site basis. Contributions will be secured to an appropriate level by way of legal agreement or through CIL as required.	<p>There are no specific viability implications. Testing assumptions make allowances for typical levels of planning contributions based on recent records and includes examples where the allowance for planning obligations may be greater, based on the requirements from new development.</p> <p>The majority of the policy's requirements can be met through typical development assumptions and allowances for open space, layout and normal build costs.</p>

No	Title	Policy Requirements	Viability Implication
		Central Colchester	
Policy TC1	Town Centre Policy and Hierarchy	<p>Colchester Town Centre is at the top of the retail hierarchy set forth in Policy SG3. Accordingly, it will be the focus for new Town Centre uses and will be the preferred location for such uses in relation to the sequential test contained in the National Planning Policy Framework (paragraph 24).</p> <p>The Local Planning Authority will encourage development in the Town Centre (as defined on the Policies Map) which enhances the Borough's role as a sub-regional shopping and leisure destination and important tourism destination that is attractive, vibrant and safe.</p>	There are no specific viability implications in relation to the policy. The Viability Study considers a range of non-residential development typologies in different locations across the Borough.
Policy TC2	Retail Frontages	<p>Given that the Town Centre is the sequentially preferable location in the Borough as a whole for Town Centre uses, particularly comparison retail, the Local Planning Authority will seek to maintain at least 70% retail use on each street frontage within the Primary Shopping Area shown on the Policies Map.</p> <p>Premises occupying small footprints and flexible ground floor footprints will be encouraged in these frontages to help support the town's small/independent town centre businesses.</p>	This policy is purely related to development management and has no direct implications for viability testing.
Policy TC3	Town Centre Allocations	The 2016 Retail Study Update identified a need for 20,000 sq m additional floorspace capacity for comparison retail uses to 2033, which can be accommodated within the defined Town Centre boundary. Updated evidence will inform specific allocations within these areas and additional areas will be allocated within the Town Centre if required. To address the need for additional town centre use floorspace areas of potential capacity has been identified and are shown on the Policies Map.	This is an extensive policy covering a range of proposed allocations for different uses (sometimes a combination of mixed-uses). Some of these allocations include site-specific requirements for development reflecting the

No	Title	Policy Requirements	Viability Implication
		<p>Residential allocations as shown on the Policies Map will be safeguarded for residential uses only. Individual developments will need to satisfy a range of policy requirements where appropriate including managing parking provision, impacts on heritage assets and improvements to the public realm</p> <p>Additional office floorspace to sustain the Town Centre will be supported just outside the Town Centre boundary within the Middleborough Local Economic Area as shown on the Policies Map. In addition, proposals for office use elsewhere in the Town Centre will be supported where they comply with other policy requirements.</p>	<p>characteristics of different locations and development considerations.</p> <p>Most of the site-specific criteria follow other policies in the plan and are allowed for within typical assumptions for development costs and professional fees e.g. undertaking surveys and assessments prior to development being approved.</p> <p>Case Study assumptions have taken into account development typologies with increased allowances for opening up costs to cover issues such as site clearance and remediation as well as the characteristics for residential development reflected by the proposed allocations e.g. flatted development.</p> <p>The Viability Study includes testing for a variety on non-residential and commercial uses reflecting the requirements for employment and</p>

No	Title	Policy Requirements	Viability Implication
			retail development provided for by this policy.
Policy TC4	Transport in Colchester Town Centre	Developments in Colchester Town Centre will be expected to contribute to a package of sustainable transport measures including walking, cycling, public transport, travel planning and the promotion of sustainable travel. Where it is demonstrated that proposals will impact on the highway network, contributions will be sought towards mitigation and improvements.	There are no additional viability implications in relation to this policy. The policy requirements are addressed through typical allowances for planning obligations, professional fees, development costs and assumptions regarding site density and layout.
		<ul style="list-style-type: none"> <li data-bbox="501 794 792 826">• North Colchester 	
Policy NC1	North Colchester and Severalls Strategic Economic Area	<p>All land and premises within the North Colchester and Severalls Strategic Economic will be safeguarded for the identified uses based on a zoned approach as defined on the policies map:</p> <p>Zone 1 – Primarily focused upon class B uses.</p> <p>Zone 2 – Mixed uses</p> <p>Zone 3 – Use class D – Sports and recreational uses</p> <p>Residential and Public Open Space – development at the existing rugby club will be safeguarded for employment, residential and open space to deliver the sport and leisure uses in zone 3</p>	<p>There are no specific viability implications in relation to this policy. The policy is primarily associated with identifying the locations where economic development is supported.</p> <p>The Viability Study includes a wide range of testing for non-residential and commercial development typologies which reflect current evidence for costs and values across a range of uses and in</p>

No	Title	Policy Requirements	Viability Implication
		<p>A master plan will be prepared to provide a detailed framework for growth covering part of the economic area as illustrated on the North Colchester Policies Map.</p> <p>All proposals within the North Colchester and Severalls Strategic Economic Area will be required to provide and contribute towards good public transport, pedestrian and cycle links ensuring good connectivity.</p>	<p>different locations across the Borough.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore capture the additional development costs associated with residential development covered under this policy.</p>
Policy NC2	North Station Special Policy Area	<p>Within the area designated on the policies map as the North Station Special Policy Area, development which contributes to regeneration of the area will be supported.</p>	<p>There are no specific viability implications in relation to this policy, which looks to promote good design and other Local Plan objectives rather than identifying specific locations to meet development requirements and allocations upon which the plan relies.</p> <p>The requirements identified by the policy are likely to be covered by</p>

No	Title	Policy Requirements	Viability Implication
			typical costs associated with development.
Policy NC3	North Colchester	<p>Land at Braiswick</p> <p>In addition to the infrastructure and mitigation requirements identified in policy PP1, development will be supported on land within the area identified on the policies map, which is must be comprehensively planned setting out how any proposal will provide:</p> <ul style="list-style-type: none"> • Up to 70 dwellings; and • Access from Braiswick (road); and • The retention and enhancement of existing tree belts within the site in addition to a landscape appraisal to look at opportunities to further improve other landscape features within the site; and • No residential development in the area of site within Flood Zone 3; and • Retention and improvements to the existing Public Right of Way which runs along the eastern boundary of the site. 	<p>The policy identifies specific allocations for residential uses and provides further detail on development requirements.</p> <p>The policy requirements are reflected in testing assumptions. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional</p>

No	Title	Policy Requirements	Viability Implication
			development costs associated with residential development covered under this policy.
Policy NC4	Transport in North Colchester	Developments in North Colchester will be expected to contribute to a package of sustainable transport measures. Where proposals will impact on the highway network, contributions will be sought towards mitigation and improvements of specific locations and projects as identified by the council as part of this plan.	There are no additional viability implications in relation to this policy. The policy requirements are addressed through typical allowances for planning obligations, professional fees, development costs and assumptions regarding site density and layout.
Policy SC1	South Colchester Allocations	<p>Allocations as shown on the policies map will be safeguarded for residential uses. In addition to the requirements in Policy PP1, development must comply with the site specific requirements as identified below.</p> <p>Land at Gosbecks</p> <ul style="list-style-type: none"> • Up to 150 new dwellings • New bus stop provision to service the site and improve sustainable transport links to Colchester Town Centre; • New public art and improvements to the public realm • A contribution to Gosbecks Archaeological Park. <p>South of Berechurch Hall Road</p> <ul style="list-style-type: none"> • Up to 150 new dwellings 	<p>The policy identifies specific allocations for residential uses and provides further detail on development requirements.</p> <p>The policy requirements are reflected in testing assumptions (see also summary for Policy NC3 above).</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • New bus stop provision to service the site and improve sustainable transport links to Colchester town centre; and • A comprehensive approach to development of the three separate parcels of land which together make up the allocation. <p>Economic safeguard areas</p> <ul style="list-style-type: none"> • 1 hectare of Land at Maldon Road / Shrub End and Land at Gosbecks. 	
Policy SC2	Middlewick Ranges	<p>The allocation shown on the Policies Map is expected to deliver approximately 1000 new dwellings. In addition to the infrastructure and mitigation requirements identified in policy PP1 the development will protect and enhance the amenities of the area creating a sustainable and attractive environment, provide for open space and ecological mitigation and provide for remediation of contamination where required.</p>	<p>There are no specific viability implications. The policy provides for a large scale residential allocation and this type of development is covered by assumptions contained in case studies for larger development types, including allowances for opening-up costs, higher levels of planning obligations and adjustments between gross and net developable area.</p>

No	Title	Policy Requirements	Viability Implication
Policy SC3	Transport in South Colchester	Developments in South Colchester will be expected to contribute to a package of sustainable transport measures. Where proposals will impact on the highway network, contributions will be sought towards mitigation and improvements of specific locations and projects as identified by the council as part of this plan.	There are no additional viability implications in relation to this policy. The policy requirements are addressed through typical allowances for planning obligations, professional fees, development costs and assumptions regarding site density and layout.
		East Colchester	
Policy EC1	Knowledge Gateway and University of Essex Strategic Economic Area	<p>Essex University is essential to Colchester Borough's economy and the vitality and viability of the town centre</p> <p>The area shown on the Policies Map is designated as the University and Knowledge Gateway Strategic Economic Area. Within this area development will be supported which enables significant expansion of the University of Essex. A new University Garden Village is also proposed to the east of Colchester.</p> <p>Proposals for the expansion of the University will be required to provide good public transport, pedestrian and cycle links ensuring good connectivity to and from the town centre, surrounding area. New development will also be liable for infrastructure improvements.</p>	<p>There are no specific viability implications for this policy.</p> <p>Testing assumptions include a range of non-residential and commercial land uses and including realistic allowances for development costs, enabling costs and planning obligations.</p>

No	Title	Policy Requirements	Viability Implication
Policy EC2	East Colchester - The Hythe Special Policy Area	Development within the area defined on the Policies Map as the East Colchester – Hythe Special Policy Area will be encouraged and supported where it supports the overall regeneration of the area and supports policy EC1. Any development proposal will also be sustainable, maximise the potential open spaces and green infrastructure within the area and mitigate development against flood risk and climate change. The policy identifies specific opportunities for infrastructure enhancement in the area including Public Transit corridors and development of a Combined Heat and Power Network.	<p>This policy provides additional detail for part of a wider, overarching allocation for land at East Colchester.</p> <p>The policy requirements are reflected in testing assumptions which also look at development across a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would</p>

No	Title	Policy Requirements	Viability Implication
			<p>capture the additional development costs associated with locations covered under this policy.</p> <p>Non-residential testing allows for a range of commercial land uses and mixed-use developments.</p>
Policy EC3	East Colchester	<p>Residential allocations to the east of Colchester, as shown on the policies map, will be safeguarded for residential uses. Site specific requirements are identified below;</p> <p>Land at Port Lane</p> <ul style="list-style-type: none"> • Up to 130 new dwellings • Access via Port Lane • Contamination mitigation • Provides an adequate assessment of the archaeological potential of the site. <p>East Bay Mill</p> <ul style="list-style-type: none"> • Up to 22 new dwellings • Adequate access • Satisfy Flood Risk assessment and mitigation • Contamination mitigation • Provides an adequate assessment of the archaeological potential of the site. • Create access to river frontage • Conversion of listed mill, Protecting and enhancing the setting of listed buildings and the Hythe conservation area. 	<p>The policy identifies specific allocations for residential uses and provides further detail on development requirements.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Carries out an air quality assessment <p>Barrington Road/Bourne Road vacant site</p> <ul style="list-style-type: none"> • Approximately 28 new dwellings • Comprehensive development programme addressing issue of site lying within different ownerships • Suitable landscaping and open space • Access via Knightsfield <p>Magdalen Street sites</p> <ul style="list-style-type: none"> • Approximately 250 new dwellings • Accords with Magdalen Street Development Brief (adopted February 2014). • Carries out an air quality assessment 	<p>allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p> <p>There are no specific viability implications with regards proposed elements of the allocation for non-residential uses and commercial development.</p>
Policy EC4	Transport in East Colchester	<p>Developments in East Colchester will be expected to contribute to a package of sustainable transport measures. Where proposals will impact on the highway network, contributions will be sought towards mitigation and improvements of specific locations and projects as identified by the council as part of this plan.</p>	<p>There are no additional viability implications in relation to this policy. The policy requirements are addressed through typical allowances for planning obligations, professional fees, development costs and assumptions regarding site density and layout.</p>
		West Colchester	

No	Title	Policy Requirements	Viability Implication
Policy WC1	Stanway Strategic Economic Area	<p>All land and premises within the area allocated as the Stanway Economic Area will be safeguarded for economic / employment uses based on the following zones:</p> <p>Zone 1 - B class uses only</p> <p>Zone 2 - The current function of the area will be safeguarded and proposals for development which are complimentary to this will be supported.</p> <p>Any proposals within the Stanway Strategic Economic Area will be required to provide good public transport, pedestrian and cycle links and development will be expected to contribute to the cost of infrastructure improvements as required.</p>	<p>There are no specific viability implications in relation to this policy. The policy is primarily associated with identifying the locations where economic development is supported.</p> <p>The Viability Study includes a wide range of testing for non-residential and commercial development typologies which reflect current evidence for costs and values across a range of uses and in different locations across the Borough.</p>
Policy WC2	Stanway	<p>Allocations as shown on the policies map, and identified below, will be safeguarded for predominantly residential uses.</p> <p>Land between Church Lane, Churchfields and Partridge Way</p> <ul style="list-style-type: none"> • Up to 28 dwellings in accordance with Design an Access Statement linked to the Lakelands Planning Permission. <p>Land at Chitts Hill</p> <p>Development of this site will be supported where it also provides;</p> <ul style="list-style-type: none"> • A maximum of 100 new dwellings • Substantive landscaping 	<p>The policy identifies specific allocations for residential uses and provides further detail on development requirements.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Access to the site to be restricted to Chitts Hill • Open space / green infrastructure provisions • Adequate noise mitigation from the adjacent railway line. • Further exploration of potential archaeological significance of the site. <p>Land to the West of Lakelands</p> <ul style="list-style-type: none"> • Approximately 150 new dwellings • An ecological survey with appropriate mitigation. • Satisfactory access to be agreed with the Highway Authority • Further exploration of potential archaeological significance of the site. • Adequate wastewater and sewage infrastructure • Appropriate SUDS design <p>Land at Tollgate Road as shown on the policies map is allocated for public open space</p>	<p>surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p> <p>There are no specific viability implications with regards proposed elements of the allocation for non-residential uses and commercial development.</p>
Policy WC3	Colchester Zoo	<p>Colchester Zoo is an important as a visitor attraction and contributor to the local economy.</p> <p>The area shown on the West Colchester Policies Map will be safeguarded for potential further expansion of Colchester Zoo to provide additional facilities associated with the Zoo's vision for growth. The extent of any development ancillary to the zoo, such as</p>	<p>The policy provides specific guidance and direction for a specific location and land use in the Borough and does not directly</p>

No	Title	Policy Requirements	Viability Implication
		<p>additional retail, hotel and food and drink outlets, will need to be related to the function of the zoo and assessed against potential negative impacts on the town centre. Policy requirements include preparation of a Masterplan; comprehensive Transport and Heritage Impact Assessments; provision of SUDs; and compliance with the policies of the Minerals Local Plan.</p>	<p>relate to providing development requirements which the plan relies upon.</p>
<p>Policy WC4</p>	<p>West Colchester</p>	<p>Allocations as shown on the policies map will be safeguarded for residential uses and be required to satisfy additional site specific requirements as identified below;</p> <p>Essex County Hospital site, Lexden Road</p> <ul style="list-style-type: none"> • Accords with the Essex County Hospital adopted Development Brief (December 2014) <p>Land at Gosbecks Phase 2</p> <ul style="list-style-type: none"> • Up to 150 new dwellings • New bus stop provision • Adequate protection / enhancement of the Scheduled Ancient Monument and its setting and any Pre-determination archaeological investigation • New public art and improvements to the public realm. • A contribution to Gosbecks Archaeological Park. <p>South of Berechurch Hall Road</p> <ul style="list-style-type: none"> • Up to 150 new dwellings • New bus stop provision • A comprehensive approach to development of the three separate parcels of land which together make up the allocation. • Pre-determination archaeological investigation 	<p>The policy identifies specific allocations for residential uses and provides further detail on development requirements.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased</p>

No	Title	Policy Requirements	Viability Implication
		<p>Land at Irvine Road</p> <ul style="list-style-type: none"> • Up to 8 new dwellings • Access via existing track off Irvine Road • A maximum development area of 40% of the site; • An Ecological Management Plan and Mitigation Plan for the remaining 60% <p>Land at Maldon Road / Shrub End – 1ha for economic uses.</p>	<p>allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p> <p>There are no specific viability implications with regards proposed elements of the allocation for non-residential uses and commercial development.</p>
Policy WC5	Transport in West Colchester	<p>Developments in East Colchester will be expected to contribute to a package of sustainable transport measures. Where proposals will impact on the highway network, contributions will be sought towards mitigation and improvements of specific locations and projects as identified by the council as part of this plan.</p>	<p>There are no additional viability implications in relation to this policy. The policy requirements are addressed through typical allowances for planning obligations, professional fees, development costs and assumptions regarding site density and layout.</p>
		Sustainable Settlements	

No	Title	Policy Requirements	Viability Implication
Policy SS1	Abberton and Langenhoe	<p>Development proposals on land to the west of Peldon Road as shown on the policies map will be supported which provides:</p> <ul style="list-style-type: none"> • Up to 50 dwellings • Safe access to and from the highway to be agreed with the Highway Authority; • Assessment of the Peldon Road/Layer Road junction as part of a Transport Assessment; • A Landscape Appraisal and strategy • Adequate wastewater treatment and sewage infrastructure • Appropriate SUDS design • The potential archaeological significance of the site should be further explored <p>Land to the east of Peldon Road as shown on the policies map will be supported which provides:</p> <ul style="list-style-type: none"> • Up to 5 dwellings • Safe access to and from the highway to be agreed with the Highway Authority • Suitable screening and landscaping to mitigate effect on listed building <p>Both proposed development sites will be well connected and provide contributions to the nearby primary school.</p> <p>Pantiles Farm on Peldon Road is allocated as a Local Economic Area and will continue to be protected for this use. Any future development proposals will be required to comply with policy SG4</p>	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with</p>

No	Title	Policy Requirements	Viability Implication
			residential development covered under this policy.
Policy SS2	Boxted	<p>All development proposals in Boxted as shown on the Policies Map, will be required to comply with policies in the Boxted Neighbourhood Plan and any relevant Local Plan policies.</p> <p>Prior to the commencement of development at Hill Farm enhancements will need to be provided to the wastewater treatment and sewerage infrastructure in the catchment.</p>	There are no specific viability requirements in relation to this policy
Policy SS3	Chappel Housing Sites	<p>As shown on the policies map the site at Chappel shall provide:</p> <ul style="list-style-type: none"> • Up to 30 new dwellings • A single site access via Swan Grove. • Adequate water supply, wastewater treatment and sewage infrastructure • Appropriate SUDS design • Suitable landscape strategy 	The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.
Policy SS4	Copford Housing Sites	Within each site shown on the Copford Proposals Map development will be supported which provides:	The policy requirements are reflected in testing assumptions

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Adequate wastewater treatment and sewage infrastructure • Appropriate SuDS design • Appropriate landscaping scheme <p>land to the east of Queensberry Avenue - Up to 70 new dwellings and upgraded public right of way along western boundary.</p> <p>land to the west of Hall Road - Up to 50 new dwellings, a single site access via Hall Road and detailed flood modelling to assess flood risk at Hall Road from Roman River.</p> <ul style="list-style-type: none"> • A safe pedestrian footway agreed with the Highways Authority from the site to London Road to enhance connectivity with Copford 	<p>which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p>
Policy SS5	Eight Ash Green	<p>The Neighbourhood Plan shall effectively plan for the Eight Ash Green area and will:</p> <ul style="list-style-type: none"> • Define a new Settlement Development Boundary • Identify specific site(s) for housing allocations to deliver up to 150 dwellings. • Set out any associated policies needed to support this housing delivery including infrastructure & community facilities <p>Proposals for development outside of the identified broad areas for growth will not be supported.</p>	<p>The policy does not relate to specific allocation proposals.</p> <p>There are no specific viability implications for this policy but testing provides a range of outputs and scenarios likely to reflect the type and circumstances of sites that may be promoted in the future through Neighbourhood Plans.</p>
Policy SS6	Fordham	<p>Within the area shown on the policies map development will be supported which provides;</p> <ul style="list-style-type: none"> • Up to 20 new dwellings • Access from Plummers Road with appropriate junction improvements; 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Well connected public rights of way • Archaeological investigation • Adequate wastewater treatment and sewage infrastructure • Appropriate SUDS design • Appropriate landscaping scheme 	<p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p>
Policy SS7	Great Horkesley	<p>Within the areas shown on the policies map new development will be supported which provides:</p> <ul style="list-style-type: none"> • Contributions towards improving walking and cycling facilities along the A134; • Contributions to enhancing community buildings; • Adequate wastewater treatment and sewage infrastructure • Appropriate SUDS design <p>Land adjacent to Great Horkesley Manor:</p> <ul style="list-style-type: none"> • 80 new dwellings • Provision of allotments; • Provision of a scout hut with parking; • Retention of the belt of trees to the east of the site; • Access from Nayland Road; 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Provision of footways and suitable traffic management and crossing opportunities on Nayland Road; • Acceptable landscape strategy • Minerals Resource Assessment <p>Land off School Lane:</p> <ul style="list-style-type: none"> • 13 new dwellings; • Development will facilitate access to the old village hall and contribute to the replacement of the scout hut; • Access from School Lane; • Development will safeguard the setting of the Church of England School building as a grade 2 listed building and other heritage assets on The Causeway. <p>The designated Local Economic Area at Holly Lodge Farm shown on the policies map will be retained and any future development proposals at this site will be required to accord with policy SG4.</p>	<p>drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p>
Policy SS8	Great Tey	<p>In addition to the infrastructure and mitigation requirements identified any proposed development will be supported on land as identified on the policies map and include:</p> <p>Land on Brook Road</p> <ul style="list-style-type: none"> • 10 new dwellings, which shall include some single storey units • Suitable design and screening/landscaping to minimise any negative impact on the adjacent Conservation Area and listed building <p>Land off Greenfield Drive</p> <ul style="list-style-type: none"> • 30 new dwellings with access off Greenfield Drive 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> A minimum of 1ha of public open space adjacent to existing public open space. <p>Tey Brook Farm is an allocated Local Economic Area as shown on the policies map and will be protected for this use.</p>	<p>surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Testing assumptions allow for the provision of bungalows (single storey dwellings) and Rural Exception Sites and therefore reflect the specific provisions under this policy.</p>
Policy SS9	Langham	<p>Development on land shown the Policies Map will be supported where they meet the requirements identified below for each site;</p> <p>Wick Road</p> <ul style="list-style-type: none"> 10 new dwellings <p>School Road</p> <ul style="list-style-type: none"> 70 new dwellings including smaller family homes and sheltered housing One site to the east of the Powerplus site to accommodate 40 dwellings plus a car park for the school One site to the west of the Powerplus site to accommodate 30 dwellings plus an extension to the adjacent recreation ground A landscape Appraisal 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> A design and layout which protects and enhances the listed buildings including their setting <p>The Powerplus Engineering and Whitnell Contractors site on School Road, Langham Airfield (Lodge Lane) and The Depot, Old Ipswich Road, in Langham are designated Local Economic Areas as shown on the polices map. The sites will remain allocated as such.</p>	<p>drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p> <p>Case studies include allowances for sheltered housing and therefore reflect the specific provisions sought by this policy.</p>
Policy SS10	Layer de le Haye	<p>In addition to the infrastructure and mitigation requirements any proposed development will be supported on land within the area identified on the policies map which provides:</p> <ul style="list-style-type: none"> 35 new dwellings Primary highways access to serve the development from Greate House Farm Road with secondary, non-thoroughfare access, from The Folley to serve a limited number of dwellings; 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • New areas of public open space and equipped children's play area • A Masterplan demonstrating how the development will positively and comprehensively relate to the future delivery of a rural exceptions site on adjacent land 	<p>with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with residential development covered under this policy.</p> <p>Testing assumptions allow for the provision of bungalows (single storey dwellings) in some typologies and Rural Exception Sites and therefore reflect the specific provisions under this policy.</p>

No	Title	Policy Requirements	Viability Implication
Policy SS11	Marks Tey	<p>Growth within the Marks Tey area will largely be guided by the following documents in addition to this Local Plan:</p> <ul style="list-style-type: none"> • The Joint Plan Development Plan document to be prepared with Braintree District Council • The Marks Tey Neighbourhood Plan <p>The Anderson's site is allocated as a Local Economic Area as shown on the Policies Map.</p>	<p>The policy does not relate to specific allocation proposals.</p> <p>There are no specific viability implications for this policy but testing provides a range of outputs and scenarios likely to reflect the type and circumstances of sites that may be promoted in the future through Neighbourhood Plans.</p> <p>New Garden Communities may be associated with specific strategic infrastructure requirements but these are subject to separate testing and viability modelling.</p>
Policy ss12a	West Mersea	<p>In addition to the infrastructure and mitigation requirements development will be supported on land within the areas identified on the policies map which contributes towards expanding Mersea Island Primary School and meets the requirements for each site indicated below;</p> <p>Dawes Lane</p> <ul style="list-style-type: none"> • 100 new dwellings • Public Open Space and children's play area to adjacent to The Glebe • A single site access off Dawes Lane 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes</p>

No	Title	Policy Requirements	Viability Implication
		<ul style="list-style-type: none"> • Suitable landscaping scheme to protect the open rural character of land within the Coastal Protection Belt. <p>Brierley Paddocks Development will be supported which provides:</p> <ul style="list-style-type: none"> • 100 new dwellings • An access via Seaview Avenue • New public open space <p>There are three existing designated Local Economic Areas in Mersea as shown on the policies map that will continue to be safeguarded for this use.</p>	<p>professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p>
Policy ss12b	Coast Road, West Mersea	<p>Development proposals on the seaward and landward side of Coast Road, West Mersea, will be supported where they:</p> <ul style="list-style-type: none"> • Are located within the area defined as the developed coast and the development is such that a coastal location is required • Enhance historic assets, maritime uses, the traditional maritime character of Coast Road and the landscape character of the coast • Can safeguard or mitigate effects upon the adjacent European sites • Will deliver or sustain social and economic benefits to coastal communities • Will not generate a significant increase in traffic • Represent an appropriate use with regards to flood risk. <p>In exceptional circumstances, development may be permitted where it is proven that the proposal provides an over-whelming public or community benefit that outweighs all</p>	<p>There are no specific viability implications. The overall policy approach is to direct where development should be directed or appropriately managed and it is not envisaged that the Coast Road area will be expected to deliver a significant proportion of development plan requirements.</p>

No	Title	Policy Requirements	Viability Implication
		<p>other material considerations. In such instances applications must demonstrate that the site is the only available option and be acceptable in terms of its other planning merits.</p> <p>Houseboats</p> <p>Proposals for new moorings for permanent residential houseboats will not be permitted in coastal areas including Coast Road. Houseboat proposals for new moorings on historic vacant sites may be acceptable.</p>	
Police SS12c	Mersea Island Caravan Park	<p>Development proposals at caravan parks on Mersea Island will be supported where they:</p> <ul style="list-style-type: none"> • Have adequate wastewater treatment and sewage infrastructure • Help protect the integrity of European sites and minimise disturbance to migratory or over wintering birds • Minimise impact on the amenity of nearby residents or businesses • Are supported with a Site Specific Flood Risk Assessment and management plan • promote sustainable travel for leisure on Mersea. <p>Permission will not be granted for caravans or chalets at the caravan parks to be used as permanent residences.</p>	<p>There are no specific viability implications. The uses covered under the policy requirements are not directly related to those covered by the viability testing.</p>

No	Title	Policy Requirements	Viability Implication
Policy SS13	Rowhedge	<p>In addition to the infrastructure and mitigation requirements identified in policy PP1, development will be supported on land within the area identified on the policies map which provides:</p> <ul style="list-style-type: none"> • 40 new dwellings • Ecological and arboricultural assessments of the site and mitigation as required • An area of open space between the site and existing housing • Provision of new health services to be agreed with the North Essex Care Commissioning Group 	<p>This policy relates to specific land use allocations at other settlements within the Borough.</p> <p>The policy requirements are reflected in testing assumptions which include looking at a range of densities. Most requirements form part of the typical costs associated with development. This includes professional fees associated with surveys prior to development taking place and accommodating appropriate provisions for drainage and landscape within typical development layouts.</p> <p>Case studies for residential development include greater allowances for gross:net development ratios and increased allowances for planning obligations (above recent historic averages) and therefore would capture the additional development costs associated with</p>

No	Title	Policy Requirements	Viability Implication
			residential development covered under this policy.
Policy SS15	Tiptree	<p>Within the broad areas of growth shown on the Tiptree Policy Map, the Tiptree Neighbourhood Plan will:</p> <ul style="list-style-type: none"> • Identify the settlement boundary for Tiptree • Identify specific sites for housing allocations needed to deliver 600 dwellings. • Set out any associated policies needed to support this housing delivery, infrastructure and community facilities <p>Proposals for development outside of the identified broad areas and the settlement boundary for growth will not be supported.</p>	<p>The policy does not relate to specific allocation proposals.</p> <p>There are no specific viability implications for this policy but testing provides a range of outputs and scenarios likely to reflect the type and circumstances of sites that may be promoted in the future through Neighbourhood Plans.</p>
Policy SS16	West Bergholt	<p>Within the broad area of growth as shown on the West Bergholt Proposals map, the West Bergholt Neighbourhood Plan will:</p> <ul style="list-style-type: none"> • Identify the settlement boundary for West Bergholt • Identify specific sites for housing allocations needed to deliver 120 dwellings. • Set out any associated policies, supported by local evidence of need, needed to support this housing delivery, infrastructure and community facilities • Identify any additional local economic areas <p>Proposals for development outside of the identified broad areas for growth and the settlement boundary will not be supported.</p>	

No	Title	Policy Requirements	Viability Implication
Policy SS16	Wivenhoe	<p>Within the broad areas of growth as shown on the Wivenhoe policies map, the Wivenhoe Neighbourhood Plan will:</p> <ul style="list-style-type: none"> • identify the settlement boundary for Wivenhoe • Identify specific sites to deliver 250 dwellings • Set out any associated policies needed to support this housing delivery and any infrastructure requirements to support new development. • Identify other allocations in the Parish, including employment and open space <p>Proposals for development outside of the identified broad areas settlement boundary for growth will not be supported.</p>	<p>The policy does not relate to specific allocation proposals.</p> <p>There are no specific viability implications for this policy but testing provides a range of outputs and scenarios likely to reflect the type and circumstances of sites that may be promoted in the future through Neighbourhood Plans.</p>
		Other Villages and Countryside	
Policy OV1	Development in Other Villages	<p>The Local Planning Authority will support proposals that enhance the vitality of rural communities and help maintain the sense of community provided by smaller rural villages and in rural areas.</p> <p>Applications will be supported for well-designed limited infill developments, development on previously developed sites, and extensions, restorations or alterations to existing buildings that are within the defined settlement boundaries.</p>	<p>There are no specific viability implications. The policy specifically relates to development management issues in identifying where more limited levels of development will be considered appropriate.</p>

No	Title	Policy Requirements	Viability Implication
Policy OV2	Countryside	<p>Development, other than residential, which may require a countryside location must demonstrate a rural location need and adhere to Policy DM6 (Economic development in rural areas and the countryside).</p> <p>Residential development in the countryside, outside defined settlement boundaries, will be restricted to small scale rural exception sites needed to meet local affordable housing needs.</p>	No specific viability implications.
		Development Management	
Policy DM1	Health and Wellbeing	<p>All development should be designed to help promote healthy lifestyles and avoid causing adverse impacts on public health.</p> <p>Health Impact Assessments (HIA) will be required for all residential development in excess of 100 units and non-residential development in excess of 2500 square metres. Measures to mitigate any adverse impacts of the development will be provided and / or secured by planning conditions, Section 106 contributions or CIL.</p>	There are no specific viability implications. Testing assumptions allow for typical levels of planning obligations plus normal costs for development including professional fees. Increased allowances for planning obligations are considered within the testing assumptions for larger sites.
Policy DM2	Community Facilities	Where existing community facilities and services meet, or will meet an identified local need, these assets will be retained. Any proposal that would result in the loss of a healthy viable community asset will only be supported in cases where either an alternative site is secured within walking distance.	There are no specific viability implications. The policy primarily relates to existing facilities but assumptions for new development

No	Title	Policy Requirements	Viability Implication
		If possible facilities should be enhanced to serve new development and the Local Planning Authority will work with developers, local partners, such as Town/ Parish Councils or Community Associations, to plan and manage community facilities.	include typical allowances for planning obligations.
Policy DM3	New Education Provision	<p>Existing or recent educational sites shall be protected for that use. The change of use, or re-development of educational establishments and their grounds, will not be permitted unless:</p> <ul style="list-style-type: none"> • The site is genuinely redundant and no other alternative educational, or community use can be found • Satisfactory alternative and improved facilities will be provided • The area of the site to be redeveloped is genuinely in excess of Government guidelines for playing field provision <p>The Local Planning Authority will respond positively to appropriate and well-designed applications regarding the creation of new school and education facilities.</p>	<p>There are no specific viability implications. The policy primarily relates to specific educational uses.</p> <p>Testing assumptions take account of allowances for planning obligations associated with the infrastructure requirements for new development including education provision.</p>
Policy DM4	Sports Provision	New and existing sports and leisure facilities will be protected and enhanced to encourage active lifestyles and to increase participation in formal and informal recreation. The delivery of new sports facilities will be mainly focused at hub sites identified across the borough. Development which removes such facilities will be carefully assessed.	<p>There are no specific viability implications. The policy primarily relates to specific sports uses.</p> <p>Testing assumptions take account of allowances for planning obligations associated with the infrastructure requirements for new development including sports provision.</p>

No	Title	Policy Requirements	Viability Implication
Policy DM5	Tourism, Leisure, Culture and Heritage	Development for new and extended visitor attractions, leisure, cultural and heritage facilities along with visitor accommodation will be supported in suitable locations subject to minimising their impact on neighbouring areas, transport infrastructure and natural areas including the AONB.	There are no specific viability implications. The policy primarily relates to specific tourism and leisure uses and managing existing facilities.
Policy DM6	Economic development in rural areas and the countryside	The Local Planning Authority will protect Local Economic Areas in rural Colchester that provide an economic function both on allocated sites shown on the proposals maps and at other rural locations that provide a similar function.	There are no specific viability implications. The policy specifically relates to development management issues in identifying where more limited levels of development will be considered appropriate or existing uses safeguarded.
Policy DM7	Agricultural Development and Diversification	The Local Planning Authority will support and encourage appropriate farm diversification proposals where they help support the rural economy, are compatible with the rural environment and help to sustain the existing agricultural enterprise without the need for subdivision of the holding or separate enterprises unrelated to the existing agricultural use. Proposals that are likely to have an adverse impact on the AONB will not be supported.	There are no specific viability implications. The policy primarily relates to specific development management matters and land uses not directly related to the viability study.
Policy DM8	Affordable Housing	The Local Planning Authority will be seeking to secure 30% of new dwellings (including conversions) on housing development for more than 10 dwellings to be provided as affordable housing, normally through provision on-site. For housing developments of	The viability study directly addresses the requirements of this policy.

No	Title	Policy Requirements	Viability Implication
		<p>between 6 and 10 units located in designated rural areas there will be a requirement for 30% affordable housing of new dwellings (in accordance with Planning Practice Guidance).</p> <p>Where it is considered that a site forms part of a larger development area, affordable housing will be apportioned with reference to the site area as a whole.</p> <p>For sites where an alternative level of affordable housing is proposed below the target, it will need to be supported by evidence in the form of a viability appraisal. In exceptional circumstances, where high development costs undermine the viability of housing delivery, developers will be expected to demonstrate an alternative affordable housing provision.</p> <p>Affordable housing development in the villages will be supported on rural exception sites contiguous with village settlement boundaries, provided a genuine local need can be demonstrated.</p>	<p>Testing assumptions take account of various potential levels of affordable housing provision (including the policy requirement of 30%) taking into account current estimates of costs and values and across a range of different market areas reflecting different viability characteristics in the Borough.</p> <p>Testing further takes account of Rural Exception Sites and considers the inclusion of 'starter homes' as part of sensitivity testing as part of emerging national policy and legislation although these are not directly covered by the policy.</p>
Policy DM9	Development Density	<p>The Local Planning Authority will seek development densities that make efficient use of land and relate to the specific opportunities and constraints of proposed development sites. Proposals with development densities that encourage sustainable transport and help sustain local amenities will be supported.</p>	<p>The viability study directly addresses the requirements of this policy. The development typologies and case studies used in testing include a mix of development at different densities likely to be delivered across the plan area.</p>

No	Title	Policy Requirements	Viability Implication
Policy DM10	Housing Diversity	The Local Planning Authority intends to secure a range of housing types and tenures on developments across the Borough in order to create inclusive and sustainable communities. The Local Planning Authority will seek to provide for the needs of particular groups including: Specialist Housing, Older people, Self-build/custom-build housing, Gypsies and Travellers, Students and St Helena Hospice.	<p>The viability study directly addresses the requirements of this policy. The development typologies and case studies used in testing include the provision of sheltered accommodation for the elderly and 'Care Home' schemes as part of non-residential testing assumptions.</p> <p>The housing mix used in different development typologies also includes single storey (bungalow) properties for certain development densities.</p> <p>Case Study scenarios also include testing assumptions for typical examples of 'self-build' sites for those looking to build their own home.</p>
Policy DM11	Gypsies, Travellers, and Travelling Showpeople	The Local Planning Authority will identify sites to meet the established needs of gypsies, travellers and travelling show people in the Borough in line with the 2014 assessment carried out for the Essex area. Proposals for any further applications will be judged on a case by case basis.	The policy is primarily related to managing specific land uses and the needs of specific groups. This policy is not relevant to the

No	Title	Policy Requirements	Viability Implication
			development types covered by the viability study.
Policy DM12	Housing Standards	<p>Residential development will be guided by high standards of design, construction and layout. The Building For Life assessment tool should be used to inform design on all new major residential developments. Residential development will be planned to minimise vulnerability to climate change impacts. The policy includes requirements for parking and also sets out the following standards:</p> <ul style="list-style-type: none"> (i) Internal space standards demonstrated to be in accordance with the National Described Space Standards (DCLG, 2015) or any future replacement of this; (ii) A minimum of 10% of market housing and 95% of affordable housing to meet Building Regulations 2015 Part M4 (2) accessible and adaptable standards and 5% of affordable homes to be Part M4 (3)(2)(b) wheelchair user standards. 	<p>This policy is directly relevant to the testing assumptions for the study. The unit types included in the housing mix for all typologies are consistent with the national space standards.</p> <p>Testing includes the allowances for accessible and adaptable homes in all scenarios where these requirements apply.</p> <p>The other requirements of this policy are captured by typical estimates for development costs and typical layouts in terms of aspects such as privacy, open space and vehicle parking.</p>
Policy DM13	Domestic development: Residential alterations, extensions and outbuildings	<p>Residential alterations, extensions and outbuildings will be permitted, provided the proposal is of a high-quality design which is in keeping with the scale, design and character of the original dwelling house, streetscene and locality and does not unacceptably impact upon the residential amenity of the area. Residential annexes are considered acceptable where they remain ancillary to the main dwellinghouse.</p>	<p>There are no specific viability implications in relation to this policy.</p>

No	Title	Policy Requirements	Viability Implication
		Proposals for the conversion and sub-division of existing residential premises within settlement boundaries into flats and other self-contained residential units will be considered having regard to the intensity of the use proposed and the sustainability of the location and satisfactory living conditions being provided.	
Policy DM14	Rural Workers Housing	<p>Permanent Rural Workers Dwellings</p> <p>Planning permission will be granted for new agricultural workers dwellings as part of existing businesses, established for over 3 years, where Evidence is provided showing an essential functional need for a full time worker to be situation permanently onsite.</p> <p>Temporary Rural Workers Dwellings</p> <p>Where evidence is provided to support a new dwelling which is deemed essential to support a new activity, whether a newly-created unit or an established one, temporary accommodation will be granted for up to 3 years.</p> <p>Conditions will be attached to any permissions granted for new rural workers dwellings to remove permitted development rights and restrict the occupancy to that required for the rural business concerned or other agricultural/rural use nearby. If a property can no longer be associated with a rural worker then the council must carefully asses the removal of any condition(s) to allow the property to become a residential dwelling.</p>	There are no specific viability implications in relation to this policy.
Policy DM15	Design and Amenity	All development, including new build, extensions and alterations, must be designed to a high standard, positively respond to its context, achieve good standards of amenity, and demonstrate social, economic and environmental sustainability.	There are no specific viability implications in relation to this policy. The criteria for design and amenity relate to site-specific development management requirements but are reflected in

No	Title	Policy Requirements	Viability Implication
			typical assumptions regarding costs and development layout.
Policy DM16	Historic Environment	Development that will lead to substantial harm to or total loss of significance of a listed building, conservation area, historic park or garden or important archaeological remains (including development that adversely affects the setting of heritage assets) will only be permitted in exceptional circumstances where the harm or loss is necessary to achieve substantial public benefits that outweigh the harm or loss.	<p>There are no specific viability implications in relation to this policy. Testing assumptions include allowances for professional fees including necessary surveys as part of demonstrating that development is acceptable.</p> <p>Testing assumptions for some case studies include additional allowances for planning obligations and enabling costs and are likely to capture instances where the costs of complying with policy requirements are greater, but this is likely to be determined on a site-by-site basis.</p>
Policy DM17	Retention of Open Space and Recreation Facilities	The Local Planning Authority will protect and enhance the existing network of green links and open spaces and secure additional areas where deficiencies are identified. The provision of public open space in developments should be informed by an appraisal of local context and community need and up to date evidence, with a regard to the impact of site development on biodiversity.	This policy is primarily related to the management of existing facilities and land uses. There are no specific viability implications.

No	Title	Policy Requirements	Viability Implication
		Development, including change of use, of any existing or proposed public or private open space, including allotments (as identified on the Proposals Map) will not be supported without careful consideration by the local planning authority.	
Policy DM18	Provision for Public Open Space	New development must provide for the recreational needs of new communities and mitigate impacts on existing communities to increase opportunities for participation in healthy lifestyles. All new residential development will be expected to provide at least 10% of the total gross area of the site as new public areas of accessible open space.	This policy is directly relevant to the testing assumptions for the study. Case studies for all sites of 11 or more dwellings include an adjustment for net to gross site area ratio of at least 90% to accommodate the requirement to provide on-site open space. Allowances for planning obligations reflect recent averages and reflect the costs of complying with this policy.
Policy DM19	Private Amenity Space	The Local Planning Authority will expect all new homes to provide easy access to high quality private/communal open space. The area of open space should be informed by the needs of residents and the accessibility of the location. All new residential development shall provide private amenity inline with the councils standards.	There are no specific viability implications. The provision of private open space is accounted for within typical assumptions for development costs and typical site layout.
Policy DM20	Promoting Sustainable	The Local Planning Authority will work with developers and other partners to increase modal shift towards sustainable modes by improving accessibility of development through	There are no specific viability implications. Development

No	Title	Policy Requirements	Viability Implication
	Transport and Changing Travel Behaviour	<p>the promotion of walking and cycling as an integral part of development, and by further improving public transport. In line with policy SG1 Colchester Spatial Strategic development that reduces the need to travel will be encouraged and sustainable transport will be improved to provide better connections between communities and their needs. All development should adhere to the content of Essex County Council's Highway Authority Development Management Policies.</p> <p>The Local Planning Authority will support improvements to the strategic road, rail and cycle network where appropriate. Where appropriate the use of sustainable travel in rural areas will be encouraged to minimise the impact of transport on sensitive rural areas.</p>	assumptions include allowances for planning obligations typically required to make development acceptable and reflecting recent rates.
Policy DM21	Sustainable Access to Development	<p>All new developments should seek to enhance accessibility for safe, accessible and sustainable modes of transport including walking, cycling and public transport.</p> <p>All developments that generate significant amounts of movement or are of a residential or education use will be required to produce a Travel Plan in accordance with Essex County Council Travel Plan Framework guidance.</p>	There are no specific viability implications. Development assumptions include allowances for planning obligations typically required to make development acceptable and reflecting recent contribution rates.
Policy DM22	Parking	<p>The amount of car parking to be provided in association with new residential development will be assessed using the most recent local Parking Guidance. Secure cycle parking should be incorporated into all residential development proposals.</p> <p>Parking standards for non-residential development should be agreed through joint discussions with the local Highway Authority and the Local Planning Authority in accordance with the most recent local Parking Guidance.</p> <p>Applications for new or expanded car parking provision will be considered on an individual basis in relation to evidence and need.</p>	There are no specific viability implications. Provision for car parking is allowed for in typical assumptions for development cost and site layout.

No	Title	Policy Requirements	Viability Implication
		<p>Greater use of Park & Ride will be encouraged especially for trips to the town centre and other major establishments along the route of the service. Further Park and Ride sites will be developed to help support growth and give access to the town centre.</p> <p>Parking should incorporate facilities for electric vehicle charging and other ultra-low emission vehicles.</p>	
Policy DM23	Flood Risk and Water Management	<p>The Local Planning Authority will seek to direct development away from land at risk of flooding in accordance with the National Planning Policy Framework and the Planning Practice Guidance, taking into account, areas where the risk of flooding is likely to increase as a result of climate change. The sequential test as set out in national guidance has informed the allocation of sites in the Local Plan and will also be applied in determining planning applications on new sites coming forward outside of those allocated.</p> <p>Developments are required to comply with the Surface Water Management Plan (SWMP) (or updates if appropriate). All development should include appropriate provision for Sustainable Drainage Systems (SUDs) for managing surface water runoff within the overall design and layout. Brownfield development should seek to achieve post-development runoff rates equivalent to that of its greenfield condition and development within SWMP Critical Drainage Areas should seek betterment to a greenfield runoff rate. It is recommended that a SUDs treatment train is utilised to assist in this reduction</p>	<p>There are no specific viability implications in relation to this policy.</p> <p>Testing assumptions include allowances for professional fees including necessary surveys as part of demonstrating that development is acceptable.</p> <p>Testing assumptions for some case studies include additional allowances for planning obligations and enabling costs and are likely to capture instances where the costs of complying with policy requirements are greater, but this is likely to be determined on a site-by-site basis.</p> <p>The costs of complying with the SUDs elements of the policy</p>

No	Title	Policy Requirements	Viability Implication
			should not exceed those of providing development in accordance with Building Regulations, accepting that costs and values should take account of the requirements to re-use previously developed land.
Policy DM24	Sustainable Urban Drainage Systems	<p>All new residential and development of 10 dwellings or more and major commercial development, car parks and hard standings should incorporate Sustainable Drainage Systems (SUDs) appropriate to the nature of the site.</p> <p>Only where there is a significant risk of pollution to the water environment, inappropriate soil conditions and/or engineering difficulties, should alternative methods of drainage be considered.</p>	There are no specific viability implications in relation to this policy beyond those summarised for Policy DM23
Policy DM25	Renewable Energy, Water, Waste and Recycling	<p>The Local Planning Authority's commitment to carbon reduction includes the promotion of efficient use of energy and resources, alongside waste minimisation and recycling.</p> <p>The Local Planning Authority will support housing developments that help reduce carbon emissions in accordance with national Building Regulations. Non-residential developments will be encouraged to achieve a minimum BREEAM rating of 'Very Good'.</p> <p>Colchester Borough is an area of serious water stress and to achieve greater efficiencies in new developments the Local Planning Authority will require residential development to incorporate water saving measures in line with the tighter optional requirement of Part G2 of national Building Regulations of 110/l/h/d.</p>	<p>This policy is directly relevant to the testing assumptions for the study. The development costs for non-residential typologies take into account the requirement to meet the BREEAM 'Very Good' standard.</p> <p>No specific adjustment to assumptions for development costs is made in relation to meeting the optional requirement for water efficiency standards</p>

No	Title	Policy Requirements	Viability Implication
		The Local Planning Authority will support proposals for renewable energy projects at appropriate locations in the Borough to help reduce Colchester's carbon footprint subject to visual and residential amenity considerations.	110/l/h/day. Evidence indicates this equates to an additional cost of approximately £9 / dwelling and is addressed within the sensitivity testing for higher costs on different case study scenarios which significantly exceed these amounts.

Appendix III – Stakeholder Workshop Presentation & Notes

North Essex Viability Workshop Notes – 13 March 2017, 10am – 12pm**Weston Homes Community Stadium, Colchester**

(List of delegates available on request)

Consultant and Officer Team

Emma Goodings, Braintree District Council (introductory presentation)

Rob Smith – HYAS

Laura Easton – Three Dragons

Troy Hayes – Troy Planning + Design

Jon Goodall – Troy Planning + Design

Introduction:

The opening part of the session was an introduction by Council Officers to report on the approach and progress towards preparing the new Local Plans for Braintree District, Colchester Borough and Tendring District Councils.

'Part 1' Presentation:

A presentation on viability assumptions and modelling being developed for the three new Garden Communities and allocated through the 'Part 1' Local Plan covering strategies matters for the three authorities was given separately. The assumptions and outputs from this work are not directly related to the 'whole plan' viability study being undertaken for each of the separate 'Part 2' Local Plans.

Whole Plan Viability Study Presentations: (see slides on following pages)

The following questions were received, noted and where possible responses given as set out below:

Part 1

Question / Response: To confirm, Benchmark land value - £100k per gross acre

Question: What are assumptions for affordable housing? Big need for older people – how is this being tested? Inputs are expected at a detailed level in terms of values, rental levels etc.

Answer: Wider Evidence Base will tell us. More information is provided by the Whole Plan Viability Study such as Local Authority Housing Allowance rates.

Question: Cost of Obligations and opening up at £40k - £50k per unit is that across tenures?

Answer: Yes

Part 2

Questions: Where 2 bed accommodation is included in any mix, this needs to be 4 persons

Answer: Comments appreciated and a valuable point to pick-up in further discussions with Registered Providers

Question: Market Dwelling Mix different for Part 1 and Part 2?

Answer: Yes that may be the case. However, for the Part 2 studies across the three authorities the broad mix across the notional 1ha tiles is likely to be similar in terms of house type and size based on the SHMA recommendations. Some specific variations are allowed for e.g. lower density in Tendring and also picking up other scenarios through the case studies.

Question: inference in HWP for increasing densities, how is this being addressed?

Answer: We will be testing different densities, including higher densities in more urban areas and lower densities in Tendring. The notional 1ha scenarios equate to around 3,400sqm of floorspace per hectare, which seems in-line with typical developments.

Question: 50 units per outlet seems reasonable for private. May be reasonable to see this as the top-end.

Answer: 3 or 4 outlets at peak. Can't get to 4 outlets straight away. This appeared to be generally agreed by delegates.

Question: Square footage from EPC, that wasn't presented. Important as a 3 bed unit can vary considerably. You would typically always see a premium for detached properties.

Answer: The consultant team agree to circulate a summary table of what had been done to assemble raw data. Will circulate with the slides.

Question: How do you judge the geographies for different market areas?

Answer: Important to look at other data sets and speaking to agents. Rightmove data is also a good proxy. Samples of new build are large and increasing given recent rates of development – in some other local authority areas they can be much smaller. EPCs – we try to ensure at least 100 – 200 examples. Remove skewed transactions. Strike a reasonable balance.

Question: Benchmark Land Values. How has the consultant team arrived at these? They look like the wrong way around with Braintree seeming to be the highest.

Answer: Looked at previous studies and DCLG estimates. Not clear why the Braintree figures are coming out so much lower. We are still researching this and this is just the beginning. The values are subject to change based on any increase in sample size, review of EPC data, removing anomalies and liaison with local agents. Any sales particulars of plots and asking prices for recent developments would be much appreciated.

Braintree, Colchester and Tendring

WHOLE PLAN VIABILITY STUDY - WORKSHOP



Whole Plan and Affordable Housing Viability Study

PROCESS

1. Inception Meeting held with Commissioning Authorities
2. Establish testing parameters
 - Reference local & national policies
 - Past delivery & planned delivery
 - Land values
 - Published sources e.g. BCIS
 - Individual consultations
 - Workshop
 - Options outcome
3. Viability Testing
 - 1ha tiles
 - Case studies
4. Draft report
5. Report



Approach to viability testing

- Residual value approach
- Generic testing and case studies based around the planned development

$$\begin{array}{r}
 \text{Total development value} \\
 \textit{Minus} \\
 \text{Development costs} \\
 \text{(incl. build costs and return to developer)} \\
 = \\
 \text{Gross residual value} \\
 \textit{Minus} \\
 \text{Planning Obligations (including AH)} \\
 + \text{CIL (if applicable)} \\
 = \\
 \text{Net residual value} \\
 \text{(available to pay for land)}
 \end{array}$$

Benchmark* land values

gross value per hectare

Braintree	Colchester	Tendring
High – £0.75m	High – £1m	High - £0.95m
Mid –£0.5m	Mid –£0.5m	Mid - £0.7m
Low - £0.4m		Low - £0.4m

DCLG estimates that land for small – medium sized sites is £2.8m (Braintree); £1.6m (Colchester); £1.19m (Tendring) - £0 CIL/s106 and no affordable housing (*serviced clean site with lower than average build costs and reduced developer profit*).

Agricultural land value 24K/ha (Dec 2015)

***Benchmark** – lowest value for land – not *best price*

Residential Testing – dwelling sizes

Compliant with national space standards

An allowance of 10% of floor area will be added to the flats for circulation and common areas.

House type description	Affordable sqm	Market sq m
1 bedroom flat	50 (2p)	50
2 bedroom flat	61 (3p)	61
1 bedroom bungalow	55 (2p)	55
2 bedroom bungalow	70 (4p)	70
1 bedroom terrace	58 (2p)	58
2 bedroom terrace	79 (4p)	70
3 bedroom terrace	93 (5p)	84
4 bedroom terrace	106 (6p)	106
3 bed semi detached	93 (5p)	100
4 bed semi detached	106 (6p)	120
3 bed detached		100
4 bed detached		130
5 bed detached		150

Residential Testing – market dwelling mix

Type	20dph (Tend only)	25dph	30dph	35dph	40dph Urban area
1 bed flat			5%	5%	10%
2 bed flat			5%	5%	10%
2 bed bungalow	10%	5%			
2 bed terrace			10%	10%	15%
3 bed terrace			10%	15%	10%
4 bed terrace					
3 bed semi	15%	20%	15%	10%	10%
4 bed semi					
3 bed detached	15%	15%	15%	15%	15%
4 bed detached	40%	40%	30%	30%	30%
5 bed detached	20%	20%	10%	10%	

- Mix is compatible with SHMA Update 2015
- Tempered by known information about delivery
- More information to come from councils so there may be further amendments

Case Studies

- Case study modelling will follow 1ha tiles and to some extent will be informed by those results
 - Similar case studies appear appropriate for each district
 - Some density variation – e.g potentially lower density in Tendring
 - Some case studies will take account of additional items such as self-build & accessibility
- 1 unit
 - 3 units
 - 7 units
 - 11 units
 - 15 units
 - 75 units
 - 90 units – flatted
 - 125 units
 - 300 units
 - 600 units
 - 1,100 units

Affordable Housing Dwelling Mix

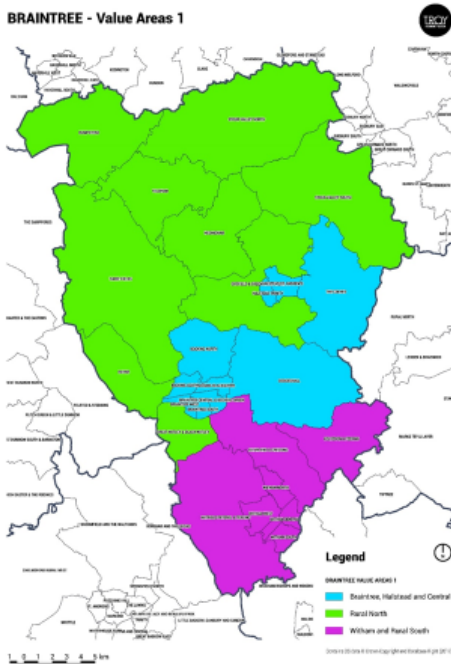
Affordable Housing Development Mix House Type	Affordable	Intermediate
1 bed flat	20%	20%
2 bed flat	10%	20%
2 bed bungalow (for lower dph – otherwise provided as additional terrace)	5%	-
2 bed terrace	45%	45%
3 bed terrace	15%	15%
4 bed terrace	5%	-

- Based on need identified in SHMA
- Still to speak to RPs so mix may change
- May be some LA specific adjustments
- Will be tested at emerging policy position with further sensitivity testing
- Tenure split varies between authorities

Build Cost (BCIS median 5 yr) and new Building Regs

Type	Braintree	Colchester	Tendring	
Flats (1-2storey)	£1,487	£1,417	£1,459	sq m includes 15% for external works
Flats (3-storey)	1,540	£1,467	£1,510	sq m includes 15% for external works
Houses	£1,312	£1,250	£1,288	sq m includes 15% for external works
2-3 houses	£1,378	£1,312	£1,352	sq m includes 15% for external works
One-off houses	£2,148	£2,047	£2,108	includes 15% for external works
Bungalows	£1,565	£1,492	£1,535	Sq m includes 15% for external works
Sheltered flats	£1,521	£1,449	£1,493	includes 15% for external works 3 storey
S106/278 (per dwelling)	£2,000 £6,000	£2,000 £6,000	tbc	For sites less than 100 dwellings Sites around c.100 dwellings (excluding Garden Communities and strategic sites)
Part M (4) 3	£16,857 £29,341	£16,857 £29,341	£16,857 £29,341	Per dwelling for wheelchair adaptable Per dwelling wheelchair accessible
Delivery Rates – around 50 units per developer per year – any comments?				
On larger developments we need to collate information on thresholds for number of developers				

Other costs		
Professional fees	8-12%	Of build costs
Finance	6%	Of development costs
Marketing fees	3%	Of GDV
Developer return	20%	Of GDV
Contractor return (for affordable)	6%	Of affordable build costs
Agents & Legal	1.75%	
Opening up	>50 units £50k/net ha >100 units £100k/net ha >200 units £150/net ha >400 units £200/net ha	



MARKET AREAS - BRAINTREE

- Market areas as mapped by house price
- Shows 3 market areas
- Are they meaningful to developers?
- Potentially complex geography in terms of differences between house types, locations of development and affordable housing
- There are also similarities north-south through the centre of the District
- Is there a premium on smaller properties?
- Looking to refine seven areas identified in an earlier study

Market Values - Braintree

	Detached			Semi-detached	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed
Braintree, Halstead and Central	£465,562	£403,487	£310,375	£394,105	£328,420
Rural North	£436,739	£378,507	£291,159	£342,105	£285,087
Witham and Rural South	£495,265	£429,230	£330,177	£396,037	£330,031

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On developments of 1-3 units 5% added to selling prices for 'exclusivity'

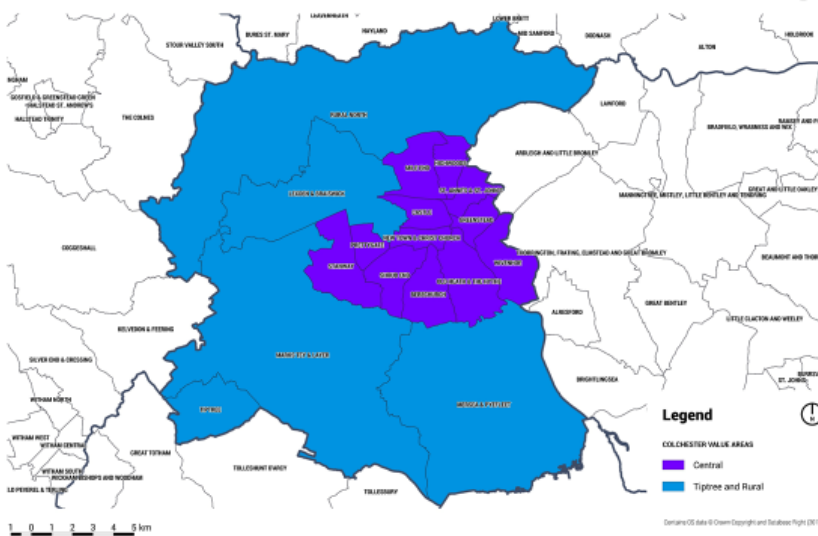
Market Values – Braintree

	Terrace				Flats	
	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed
Braintree, Halstead and Central	£333,100	£263,966	£219,971	£182,262	£170,117	£139,440
Rural North	£330,291	£261,740	£218,116	£180,725	£162,077	£132,850
Witham and Rural South	£361,371	£286,369	£238,641	£197,731	£184,352	£151,108

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On development of 1-3 units + 5% added to selling price

MARKET AREAS - COLCHESTER

COLCHESTER - Value Area



- Market areas as mapped by house price
- Shows 2 distinct market areas
- Are they meaningful to developers?
- Similar to a previous study, but not exactly the same (BPS, 2015)

Market Values - Colchester

	Detached			Semi-detached	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed
Central	£425,694	£368,935	£283,796	£344,431	£287,025
Tiptree and Rural	£465,270	£403,234	£310,180	£358,382	£298,651

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
On developments of 1-3 units 5% added to selling prices for 'exclusivity'

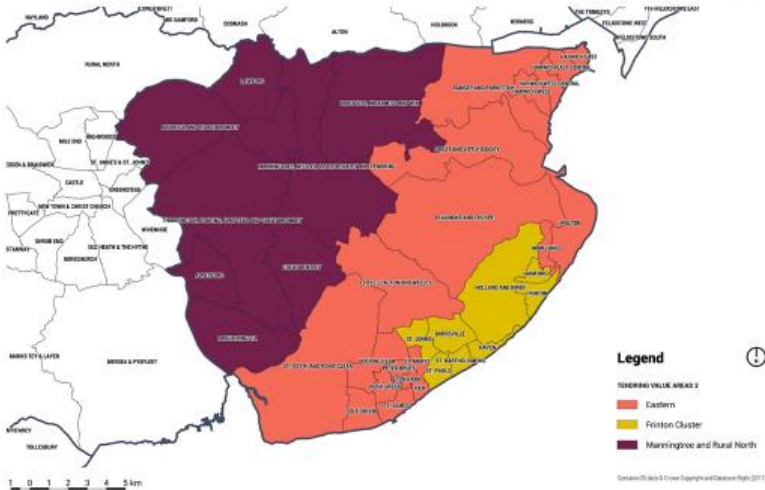
Market Values - Colchester

	Terrace				Flats	
	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed
Central	£285,569	£226,300	£188,583	£156,255	£161,536	£132,407
Tiptree and Rural	£339,925	£269,374	£224,479	£185,997	£165,708	£135,827

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
On development of 1-3 units + 5% added to selling price

MARKET AREAS - TENDRING

TENDRING - Value Areas 2



- Market areas as mapped by house price
- Shows 3 market areas
- Are they meaningful to developers?
- Similar to previous studies (PBA, 2015) identifying higher values around Frinton
- Stronger market gains over recent years?

Market Values - Tendring

	Detached			Semi-detached	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed
Eastern	£396,258	£343,424	£264,172	£293,370	£244,475
Frinton Cluster	£494,783	£428,812	£329,855	£408,276	£340,230
Manningtree and Rural North	£443,766	£384,597	£295,844	£331,947	£276,623

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
 On developments of 1-3 units 5% added to selling prices for 'exclusivity'

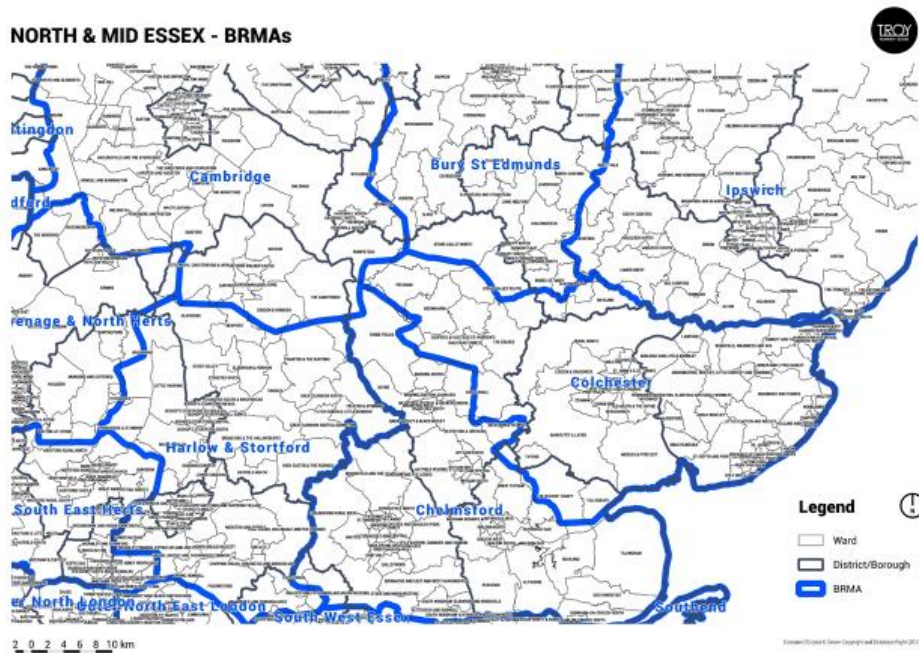
Market Values - Tendring

	Terrace				Flats	
	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed
Eastern	£262,045	£207,658	£173,049	£143,383	£142,355	£116,685
Frinton Cluster	£353,427	£280,074	£233,395	£193,384	£212,296	£174,013
Manningtree and Rural North	£306,387	£242,797	£202,331	£167,646	£0	£0

Flats - Ground rent @ £250 per dwelling, capitalised at 5%
On development of 1-3 units + 5% added to selling price

Factors affecting Affordable Housing

- Types of affordable home ownership e.g. Starter Homes; Rent to Buy
- LHA rates capping rents
- Measures such as 'Bedroom tax' and alignment of benefit to LHA rates impact on who is housed and sorts of properties required
- Affordable housing will be modelled at emerging policy position
- Sensitivity testing at alternative levels and thresholds
- Braintree district falls within 4 different BRMAs
- Colchester and Tendring both within the same single BRMA (Colchester)



Gross to Net Rental Factors - Affordable

For rental properties

• Rents	100% LHA
• Service Charges	£10 flats / £5 houses
• Management and maintenance	£1,000
• Voids/bad debts	3.00%
• Repairs reserve	£600
• Capitalisation	5%

For shared ownership

• Share size	40%
• Rental charge	2.75%
• Capitalisation	5%

Next steps

- Workshop notes/slides to be circulated – another opportunity for input to the study
- Follow up interviews with RPs
- Follow up interviews with other stakeholders if appropriate, or if need for confidential discussion
- Testing undertaken
- Produce report based on findings of testing

Full Sample of Housing Transactions Data Circulated with Slides from 13 March 2017 Developer Workshop**Colchester Market Area Assumptions**

	Detached			Semi-detached		Terrace				Flats		EPC Sample Size	Total New Build Transactions Sample
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed	4 Bed	3 Bed	2 Bed	1 Bed	2 Bed	1 Bed	Total EPC Reviewed	Total Sample from Land Registry 2013-2016
<i>EPC - average sqm from sample</i>	100sqm			93sqm		86sqm				67sqm		122	1470
<i>Value/sqm from Sample</i>	£2,838			£2,870		£2,694				£2,648			
Central	£425,694	£368,935	£283,796	£344,431	£287,025	£285,569	£226,300	£188,583	£156,255	£161,536	£132,407		
<i>EPC - average sqm from sample</i>	101sqm			98sqm		72sqm				60sqm		39	182
<i>Value/sqm from Sample</i>	£3,102			£2,987		£3,207				£2,717			
Tiptree and Rural	£465,270	£403,234	£310,180	£358,382	£298,651	£339,925	£269,374	£224,479	£185,997	£165,708	£135,827		

Appendix IV – Results tables

1 hectare tiles – Full Results

Area / DPH / AR-SO Split / %AH / Other Costs								RESULTS				
Market Value Area	Density	Borough	% Affordable Housing			Part M Costs allowed	Total Market Sqm	Residual Value (£)	Benchmark Values		RV less Main Benchmark	RV less Sensitivity Benchmark
			Rented / Intermediate	%AH	% Market Housing				Benchmark / hectare (£)	Sensitivity Benchmark (£)		
Central	25dph	Colchester	80% / 20%	30%	70%	29,711	2143.80	£1,236,000	£600,000	£720,000	£636,000	£516,000
Central	30dph	Colchester	80% / 20%	30%	70%	35,577	2236.60	£1,173,000	£600,000	£720,000	£573,000	£453,000
Central	35dph	Colchester	80% / 20%	30%	70%	41,506	2589.80	£1,354,000	£600,000	£720,000	£754,000	£634,000
Central	40dph	Colchester	80% / 20%	30%	70%	47,347	2663.10	£1,283,000	£600,000	£720,000	£683,000	£563,000
Central	25dph	Colchester	80% / 20%	35%	65%	34,089	1990.70	£1,109,000	£600,000	£720,000	£509,000	£389,000
Central	30dph	Colchester	80% / 20%	35%	65%	40,836	2076.80	£1,042,000	£600,000	£720,000	£442,000	£322,000
Central	35dph	Colchester	80% / 20%	35%	65%	47,642	2404.90	£1,204,000	£600,000	£720,000	£604,000	£484,000
Central	40dph	Colchester	80% / 20%	35%	65%	54,365	2472.90	£1,128,000	£600,000	£720,000	£528,000	£408,000
Tiptree & Rural	25dph	Colchester	80% / 20%	30%	70%	29,711	2143.80	£1,731,000	£1,000,000	£1,200,000	£731,000	£531,000
Tiptree & Rural	30dph	Colchester	80% / 20%	30%	70%	35,577	2236.60	£1,661,000	£1,000,000	£1,200,000	£661,000	£461,000
Tiptree & Rural	35dph	Colchester	80% / 20%	30%	70%	41,506	2589.80	£1,924,000	£1,000,000	£1,200,000	£924,000	£724,000
Tiptree & Rural	40dph	Colchester	80% / 20%	30%	70%	47,347	2663.10	£1,834,000	£1,000,000	£1,200,000	£834,000	£634,000
Tiptree & Rural	25dph	Colchester	80% / 20%	35%	65%	34,089	1990.70	£1,573,000	£1,000,000	£1,200,000	£573,000	£373,000
Tiptree & Rural	30dph	Colchester	80% / 20%	35%	65%	40,836	2076.80	£1,500,000	£1,000,000	£1,200,000	£500,000	£300,000
Tiptree & Rural	35dph	Colchester	80% / 20%	35%	65%	47,642	2404.90	£1,738,000	£1,000,000	£1,200,000	£738,000	£538,000
Tiptree & Rural	40dph	Colchester	80% / 20%	35%	65%	54,365	2472.90	£1,648,000	£1,000,000	£1,200,000	£648,000	£448,000

Case Study – Full Results (Central Market Value Area)

Case Study Ref	No of Dwgs	Market Value Area	%AH	% self build	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	S106/dwelling	Part M Costs allowed	Opening up costs for strategic Infrastructure (£ per net ha)	DCF Applied	Residual Value / gross ha	Benchmark / hectare (£)	Residual value post benchmark (£)
Small Site Case Studies															
C1	1 dwelling	Central	0%	0%	40	0.025	0.025	100%	6,000	139	Nil	No	-920,000	600,000	-1,520,000
C2	3 dwellings	Central	0%	0%	40	0.075	0.075	100%	6,000	416	Nil	No	2,080,000	600,000	1,480,000
C3	7 dwellings	Central	0%	0%	35	0.200	0.222	90%	6,000	938	Nil	No	1,932,432	600,000	1,332,432
C3	7 dwellings	Central	30%	0%	35	0.200	0.222	90%	6,000	938	Nil	No	1,216,216	600,000	616,216
Medium Site Case Studies															
C5	11 dwellings	Central	30%	0%	35	0.315	0.350	90%	£6,000	13,045	Nil	No	1,234,286	600,000	634,286
C5A	11 dwellings	Central	35%	0%	35	0.315	0.350	90%	£6,000	14,973	Nil	No	1,100,000	600,000	500,000
C6	15 dwellings	Central	30%	0%	35	0.429	0.477	90%	£6,000	17,788	Nil	No	1,228,512	600,000	628,512
C6A	15 dwellings	Central	30%	0%	35	0.429	0.477	90%	£10,000	17,788	Nil	No	1,111,111	600,000	511,111
C6B	15 dwellings	Central	30%	0%	25	0.600	0.666	90%	£6,000	17,826	Nil	No	1,120,120	600,000	520,120
C6C	15 dwellings	Central	30%	0%	25	0.600	0.666	90%	£10,000	17,826	Nil	No	1,036,036	600,000	436,036
C7	50 dwellings	Central	30%	0%	35	1.429	1.571	91%	£10,000	59,294	£50,000	Yes	1,109,157	600,000	509,157
C8A	100 dwellings	Central	30%	0%	100	1.000	1.111	90%	£10,000	74,919	£100,000	Yes	-774,042	600,000	-1,374,042
C8	60 dwellings	Central	30%	0%	60	1.000	1.111	90%	£10,000	44,952	£50,000	Yes	-418,687	600,000	-1,018,687
Intermediate Case Studies															
C9	75 dwellings	Central	30%	0%	35	2.143	2.678	80%	£10,000	88,941	£50,000	Yes	1,076,440	500,000	576,440
C10	125 dwellings	Central	30%	5%	40	3.125	3.900	80%	£10,000	140,857	£100,000	Yes	869,155	500,000	369,155
C11	300 dwellings	Central	30%	5%	35	8.571	13.187	65%	£10,000	337,977	£150,000	Yes	625,176	500,000	125,176
C11	300 dwellings	Central	30%	5%	35	8.571	13.187	65%	£15,000	337,977	£150,000	Yes	529,688	500,000	29,688

Case Study Ref	No of Dwgs	Market Value Area	%AH	% self build	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	£106/dwelling	Part M Costs allowed	Opening up costs for strategic Infrastructure (£ per net ha)	DCF Applied	Residual Value / gross ha	Benchmark / hectare (£)	Residual value post benchmark (£)
Large Case Studies															
C12	600 dwellings	Central	30%	5%	35	17.143	26.374	65%	£10,000	675,954	£200,000	Yes	610,086	440,000	170,086
C12	600 dwellings	Central	30%	5%	35	17.143	26.374	65%	£20,000	675,954	£200,000	Yes	435,334	440,000	-4,666
C12A	600 dwellings	Central	30%	5%	30	20.000	30.769	65%	£10,000	675,954	£200,000	Yes	528,557	440,000	88,557
C12A	600 dwellings	Central	30%	5%	30	20.000	30.769	65%	£20,000	675,954	£200,000	Yes	378,857	440,000	-61,143
C13	1100 dwellings	Central	30%	5%	35	31.429	48.352	65%	£10,000	1,239,249	£200,000	Yes	589,088	440,000	149,088
C13	1100 dwellings	Central	30%	5%	35	31.429	48.352	65%	£20,000	1,239,249	£200,000	Yes	432,743	440,000	-7,257
Sheltered and Extracare Housing															
C14	50 dwellings	Central	30%	0%	100	0.500	0.500	100%	£6,000	Assume compliant	100,000 void costs	Yes	1,602,748	600,000	1,002,748
C15	50 dwellings	Central	30%	0%	100	0.500	0.500	100%	£6,000	Assume compliant	100,000 void costs	Yes	1,298,640	600,000	698,640
Rural Exception Sites															
C4	10 dwellings	Central	70%		20	0.500	0.500	100%	6,000	29,046	Nil	No			

Case Study – Full Results (Tiptree and Rural Market Value Area)

Case Study Ref	No of Dwgs	Market Value Area	%AH	% self build	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	£106/ dwelling	Part M Costs allowed	Opening up costs for strategic Infrastructure (£ per net ha)	DCF Applied	Residual Value / gross ha	Benchmark / hectare (£)	Residual value post benchmark (£)
Small Site Case Studies															
C1	1 dwelling	Tiptree & Rural	0%	0%	40	0.025	0.025	100%	6,000	139	Nil	No	80,000	1,000,000	-920,000
C2	3 dwellings	Tiptree & Rural	0%	0%	40	0.075	0.075	100%	6,000	416	Nil	No	2,840,000	1,000,000	1,840,000
C3	7 dwellings	Tiptree & Rural	0%	0%	35	0.200	0.222	90%	6,000	938	Nil	No	2,698,198	1,000,000	1,698,198
C3	7 dwellings	Tiptree & Rural	30%	0%	35	0.200	0.222	90%	6,000	938	Nil	No	1,729,730	1,000,000	729,730
Medium Site Case Studies															
C5	11 dwellings	Tiptree & Rural	30%	0%	35	0.315	0.350	90%	6,000	13,045	Nil	No	1,745,714	1,000,000	745,714
C5A	11 dwellings	Tiptree & Rural	35%	0%	35	0.315	0.350	90%	6,000	14,973	Nil	No	1,580,000	1,000,000	580,000
C6	15 dwellings	Tiptree & Rural	30%	0%	35	0.429	0.477	90%	6,000	17,788	Nil	No	1,740,042	1,000,000	740,042
C6A	15 dwellings	Tiptree & Rural	30%	0%	35	0.429	0.477	90%	10,000	17,788	Nil	No	1,622,642	1,000,000	622,642
C6B	15 dwellings	Tiptree & Rural	30%	0%	25	0.600	0.666	90%	6,000	17,826	Nil	No	1,564,565	1,000,000	564,565
C6C	15 dwellings	Tiptree & Rural	30%	0%	25	0.600	0.666	90%	10,000	17,826	Nil	No	1,480,480	1,000,000	480,480
C7	50 dwellings	Tiptree & Rural	30%	0%	35	1.429	1.571	91%	10,000	59,294	£50,000	Yes	1,600,670	1,000,000	600,670
C8A	100 dwellings	Tiptree & Rural	30%	0%	100	1.000	1.111	90%	10,000	74,919	£100,000	Yes	-531,633	1,000,000	-1,531,633
C8	60 dwellings	Tiptree & Rural	30%	0%	60	1.000	1.111	90%	10,000	44,952	£50,000	Yes	-271,508	1,000,000	-1,271,508
Intermediate Case Studies															
C9	75 dwellings	Tiptree & Rural	30%	0%	35	2.143	2.678	80%	10,000	88,941	£50,000	Yes	1,509,800	750,000	759,800
C10	125 dwellings	Tiptree & Rural	30%	5%	40	3.125	3.900	80%	10,000	140,857	£100,000	Yes	1,280,229	750,000	530,229
C11	300 dwellings	Tiptree & Rural	30%	5%	35	8.571	13.187	65%	10,000	337,977	£150,000	Yes	923,038	750,000	173,038
C11	300 dwellings	Tiptree & Rural	30%	5%	35	8.571	13.187	65%	15,000	337,977	£150,000	Yes	833,135	750,000	83,135

Case Study Ref	No of Dwgs	Market Value Area	%AH	% self build	Density (dph)	Net Area (ha)	Gross area (ha)	Net to Gross %	\$106/dwelling	Part M Costs allowed	Opening up costs for strategic Infrastructure (£ per net ha)	DCF Applied		Residual Value / gross ha	Benchmark / hectare (£)	Residual value post benchmark (£)
Large Case Studies																
C12	600 dwellings	Tiptree & Rural	30%	5%	35	17.143	26.374	65%	10,000	675,954	£200,000	Yes		904,964	440,000	464,964
C12	600 dwellings	Tiptree & Rural	30%	5%	35	17.143	26.374	65%	20,000	675,954	£200,000	Yes		737,797	440,000	297,797
C12A	600 dwellings	Tiptree & Rural	30%	5%	30	20.000	30.769	65%	10,000	675,954	£200,000	Yes		782,418	440,000	342,418
C12A	600 dwellings	Tiptree & Rural	30%	5%	30	20.000	30.769	65%	20,000	675,954	£200,000	Yes		639,238	440,000	199,238
C13	1100 dwellings	Tiptree & Rural	30%	5%	35	31.429	48.352	65%	10,000	1,239,249	£200,000	Yes		859,181	440,000	419,181
C13	1100 dwellings	Tiptree & Rural	30%	5%	35	31.429	48.352	65%	20,000	1,239,249	£200,000	Yes		704,605	440,000	264,605
Sheltered and Extracare Housing																
C14	50 dwellings	Tiptree & Rural	30%	0%	100	0.500	0.500	100%	6,000	Assume compliant	100,000 void costs	Yes		2,601,242	1,000,000	1,601,242
C15	50 dwellings	Tiptree & Rural	30%	0%	100	0.500	0.500	100%	6,000	Assume compliant	100,000 void costs	Yes		2,539,486	1,000,000	1,539,486
Rural Exception Sites																
C4	10 dwellings	Tiptree & Rural	70%		20	0.500	0.500	100%	6,000	29,046	Nil	No				

Appendix V – Non-residential Viability Testing

Non-residential Viability Assessment Model					
Office development of two storeys out of town (a/c multiple units)					
	Size of unit (GIA)	1500	sq m		
	Ratio of GEA to GIA	100.0%			User input cells
	GEA	1500	sq m		Produced by model
	NIA as % of GIA	95%			Key results
	NIA	1425	sq m	GEA	Gross external area
	Floors	2		GIA	Gross internal area
	Site coverage	40%		NIA	Net internal area
	Site area	0.19	Hectares		
SCHEME REVENUE					
	Headline annual rent (in £s per sq m)			£161	
	Rent premium			0%	
	Headline annual rent (in £s per sq m) with BREEAM premium			£ 161	
	Annual rent for assesment (total) - NIA			£ 230,081	
	Yield			7.00%	
	(Yield times rent)			£ 3,286,864	
	Less purchaser costs	5.80	% of yield x rent		
	Gross Development Value				£ 3,106,677
SCHEME COSTS					
	Build costs	£ 1,273	per sq m	£ 1,909,500	
	Additional build costs	£ -	per sq m	£ -	
	Water efficiency	0.00%	of base build costs	£ -	
	External costs	10%	of base build costs	£ 190,950	
	Total construction costs				£ 2,100,450
	Professional fees	10.00%	of construction costs	£ 210,045	
	Sales and lettings costs	3%	of GDV	£ 93,200	
	S106 costs (not covered by CIL)			£ 20,000	
	Total 'other costs'				£ 323,245
	Finance costs	6.0%	Interest rate		
	Build period	10	Months		
	Finance costs for 100% of construction and other costs			£ 121,185	
	Void finance/rent free period (in months)	12	Months	£ 145,422	
	Total finance costs				£ 266,606
	Developer return	20%	Scheme value		£ 621,335
	Total scheme costs				£ 3,311,637
RESIDUAL VALUE					
	Gross residual value				-£ 204,960
	Less purchaser costs	0.00	% Stamp duty land tax		£ -
		2.00	% Agent/legal purchase fees		£ -
	Residual value				-£ 209,059
			Equivalent per hectare		-£ 1,114,983
			Not viable		
Viability					
	Benchmark land value (per hectare)			£ 675,000	
	Equivalent benchmark land value for site			£ 126,563	
	Scheme viability headroom			-£ 335,622	
	Viability headroom per sq m				NONE

Non-residential Viability Assessment Model				
Office development of four storeys town centre (a/c)				
	Size of unit (GIA)	2000	sq m	
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	2000	sq m	Produced by model
	NIA as % of GIA	95%		Key results
	NIA	1900	sq m	GEA
	Floors	4		GIA
	Site coverage	75%		NIA
	Site area	0.07	Hectares	
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)			£188
	Rent premium			0%
	Headline annual rent (in £s per sq m) with BREEAM premium			£ 188
	Annual rent for assesment (total) - NIA			£ 357,903
	Yield			6.75%
	(Yield times rent)			£ 5,302,267
	Less purchaser costs	5.80	% of yield x rent	
	Gross Development Value			£ 5,011,594
SCHEME COSTS				
	Build costs	£ 1,528	per sq m	£ 3,056,000
	Additional build costs	£ -	per sq m	£ -
	Water efficiency	0.00%	of base build costs	£ -
	External costs	10%	of base build costs	£ 305,600
	Total construction costs			£ 3,361,600
	Professional fees	12.00%	of construction costs	£ 403,392
	Sales and lettings costs	3%	of GDV	£ 150,348
	S106 costs (not covered by CIL)			£ -
	Total 'other costs'			£ 553,740
	Finance costs	6.0%	Interest rate	
	Build period	14	Months	
	Finance costs for 100% of construction and other costs			£ 274,074
	Void finance/rent free period (in months)	12	Months	£ 234,920
	Total finance costs			£ 508,994
	Developer return	20%	Scheme value	£ 1,002,319
	Total scheme costs			£ 5,426,653
RESIDUAL VALUE				
	Gross residual value			-£ 415,059
	Less purchaser costs	0.00	% Stamp duty land tax	£ -
		2.00	% Agent/legal purchase fees	£ -
	Residual value			
		For the scheme		-£ 423,360
		Equivalent per hectare		-£ 6,350,397
				Not viable
Viability				
	Benchmark land value (per hectare)			£ 675,000
	Equivalent benchmark land value for site			£ 45,000
	Scheme viability headroom			-£ 468,360
	Viability headroom per sq m			NONE

Non-residential Viability Assessment Model				
Four industrial/warehouse units in a block of 1,600 sqm edge of town				
	Size of unit (GIA)	1600 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	1600 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	1520 sq m	GEA	Gross external area
	Floors	1	GIA	Gross internal area
	Site coverage	40%	NIA	Net internal area
	Site area	0.40 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)		£70	
	Rent premium		0%	
	Headline annual rent (in £s per sq m) with BREEAM premium		£ 70	
	Annual rent for assesment (total) - NIA		£ 106,400	
	Yield		6.75%	
	(Yield times rent)		£ 1,576,296	
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value		£	1,489,883
SCHEME COSTS				
	Build costs	£ 795 per sq m	£ 1,272,000	
	Additional build costs	£ - per sq m	£ -	
	Water efficiency	0.00% of base build costs	£ -	
	External costs	10% of base build costs	£ 127,200	
	Total construction costs		£	1,399,200
	Professional fees	12.00% of construction costs	£ 167,904	
	Sales and lettings costs	3% of GDV	£ 44,696	
	S106 costs (not covered by CIL)		£ 20,000	
	Total 'other costs'		£	232,600
	Finance costs	6.0% Interest rate		
	Build period	8 Months		
	Finance costs for 100% of construction and other costs		£ 65,272	
	Void finance/rent free period (in months)	12 Months	£ 97,908	
	Total finance costs		£	163,180
	Developer return	20% Scheme value		£ 297,977
	Total scheme costs		£	2,092,957
RESIDUAL VALUE				
	Gross residual value			-£ 603,074
	Less purchaser costs	0.00 % Stamp duty land tax		£ -
		2.00 % Agent/legal purchase fees		£ -
	Residual value	For the scheme		-£ 615,136
		Equivalent per hectare		-£ 1,537,839
				Not viable
Viability				
	Benchmark land value (per hectare)		£ 675,000	
	Equivalent benchmark land value for site		£ 270,000	
	Scheme viability headroom		-£ 885,136	
	Viability headroom per sq m			NONE

Non-residential Viability Assessment Model				
Warehouse/industrial unit of 5,000 sqm edge of town, accessible location				
	Size of unit (GIA)	5000 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	5000 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	4750 sq m	GEA	Gross external area
	Floors	1	GIA	Gross internal area
	Site coverage	40%	NIA	Net internal area
	Site area	1.25 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)			£70
	Rent premium			0%
	Headline annual rent (in £s per sq m) with BREEAM premium			£ 70
	Annual rent for assesment (total) - NIA			£ 332,500
	Yield			6.75%
	(Yield times rent)			£ 4,925,926
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value			£ 4,655,885
SCHEME COSTS				
	Build costs	£ 500 per sq m		£ 2,500,000
	Additional build costs	£ - per sq m		£ -
	Water efficiency	2.00% of base build costs		£ 50,000
	External costs	10% of base build costs		£ 250,000
	Total construction costs			£ 2,800,000
	Professional fees	12.00% of construction costs		£ 336,000
	Sales and lettings costs	3% of GDV		£ 139,677
	S106 costs (not covered by CIL)			£ 50,000
	Total 'other costs'			£ 525,677
	Finance costs	6.0% Interest rate		
	Build period	8 Months		
	Finance costs for 100% of construction and other costs			£ 133,027
	Void finance/rent free period (in months)	24 Months		£ 399,081
	Total finance costs			£ 532,108
	Developer return	20% Scheme value		£ 931,177
	Total scheme costs			£ 4,788,962
RESIDUAL VALUE				
	Gross residual value			-£ 133,077
	Less purchaser costs	0.00 % Stamp duty land tax		£ -
		2.00 % Agent/legal purchase fees		£ -
	Residual value	For the scheme		-£ 135,739
		Equivalent per hectare		-£ 108,591
				Not viable
Viability				
	Benchmark land value (per hectare)			£ 675,000
	Equivalent benchmark land value for site			£ 843,750
	Scheme viability headroom			-£ 979,489
	Viability headroom per sq m			NONE

Non-residential Viability Assessment Model				
Warehouse/industrial unit of 5,000 sqm edge of town, accessible location				
	Size of unit (GIA)	5000 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	5000 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	4750 sq m	GEA	Gross external area
	Floors	1	GIA	Gross internal area
	Site coverage	40%	NIA	Net internal area
	Site area	1.25 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)		£70	
	Rent premium		0%	
	Headline annual rent (in £s per sq m) with BREEAM premium		£ 70	
	Annual rent for assesment (total) - NIA		£ 332,500	
	Yield		6.75%	
	(Yield times rent)		£ 4,925,926	
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value			£ 4,655,885
SCHEME COSTS				
	Build costs	£ 500 per sq m	£ 2,500,000	
	Additional build costs	£ - per sq m	£ -	
	Water efficiency	2.00% of base build costs	£ 50,000	
	External costs	10% of base build costs	£ 250,000	
	Total construction costs			£ 2,800,000
	Professional fees	12.00% of construction costs	£ 336,000	
	Sales and lettings costs	3% of GDV	£ 139,677	
	S106 costs (not covered by CIL)		£ 50,000	
	Total 'other costs'			£ 525,677
	Finance costs	6.0% Interest rate		
	Build period	8 Months		
	Finance costs for 100% of construction and other costs		£ 133,027	
	Void finance/rent free period (in months)	24 Months	£ 399,081	
	Total finance costs			£ 532,108
	Developer return	20% Scheme value		£ 931,177
	Total scheme costs			£ 4,788,962
RESIDUAL VALUE				
	Gross residual value			-£ 133,077
	Less purchaser costs	0.00 % Stamp duty land tax		£ -
		2.00 % Agent/legal purchase fees		£ -
	Residual value	For the scheme		-£ 135,739
		Equivalent per hectare		-£ 108,591
				Not viable
Viability				
	Benchmark land value (per hectare)		£ 675,000	
	Equivalent benchmark land value for site		£ 843,750	
	Scheme viability headroom			-£ 979,489
	Viability headroom per sq m			NONE

Non-residential Viability Assessment Model				
Out of centre comparison retail multiple units totalling 1,000 sqm				
	Size of unit (GIA)	1000 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	1000 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	950 sq m	GEA	Gross external area
	Floors	1	GIA	Gross internal area
	Site coverage	40%	NIA	Net internal area
	Site area	0.25 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)		£157	
	Rent premium		0%	
	Headline annual rent (in £s per sq m) with BREEAM premium		£ 157	
	Annual rent for assesment (total) - NIA		£ 149,150	
	Yield		6.60%	
	(Yield times rent)		£ 2,259,848	
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value		£ 2,135,963	
SCHEME COSTS				
	Build costs	£690 per sq m	£ 690,000	
	Additional build costs	£ - per sq m	£ -	
	Water efficiency	0.00% of base build costs	£ -	
	External costs	10% of base build costs	£ 69,000	
	Total construction costs		£ 759,000	
	Professional fees	10.00% of construction costs	£ 75,900	
	Sales and lettings costs	3% of GDV	£ 64,079	
	S106 costs (not covered by CIL)		£ 100,000	
	Total 'other costs'		£ 239,979	
	Finance costs	6.0% Interest rate		
	Build period	14 Months		
	Finance costs for 100% of construction and other costs		£ 69,929	
	Void finance/rent free period (in months)	12 Months	£ 59,939	
	Total finance costs		£ 129,867	
	Developer return	20% Scheme value	£ 427,193	
	Total scheme costs		£ 1,556,039	
RESIDUAL VALUE				
	Gross residual value		£ 579,924	
	Less purchaser costs	% Stamp duty land tax	£ 18,496	
		2.00 % Agent/legal purchase fees	£ 11,598	
	Residual value	For the scheme	£ 549,829	
		Equivalent per hectare	£ 2,199,317	
		Go to next stage		
Viability				
	Benchmark land value (per hectare)		£ 1,000,000	
	Equivalent benchmark land value for site		£ 250,000	
	Scheme viability headroom		£ 299,829	
	Viability headroom per sq m		£ 300	

Non-residential Viability Assessment Model				
Small Convenience Store 300 sqm				
	Size of unit (GIA)	300 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	300 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	285 sq m	GEA	Gross external area
	Floors	1	GIA	Gross internal area
	Site coverage	65%	NIA	Net internal area
	Site area	0.05 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)			£208
	Rent premium			0%
	Headline annual rent (in £s per sq m) with BREEAM premium		£	208
	Annual rent for assesment (total) - NIA		£	59,280
	Yield			6.70%
	(Yield times rent)		£	884,776
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value		£	836,272
SCHEME COSTS				
	Build costs	£ 1,213 per sq m	£	363,900
	Additional build costs	£ - per sq m	£	-
	Water efficiency	0.00% of base build costs	£	-
	External costs	10% of base build costs	£	36,390
	Total construction costs		£	400,290
	Professional fees	12.00% of construction costs	£	48,035
	Sales and lettings costs	3% of GDV	£	25,088
	S106 costs (not covered by CIL)		£	-
	Total 'other costs'		£	73,123
	Finance costs	6.0% Interest rate		
	Build period	6 Months		
	Finance costs for 100% of construction and other costs		£	14,202
	Void finance/rent free period (in months)	0 Months	£	-
	Total finance costs		£	14,202
	Developer return	20% Scheme value	£	167,254
	Total scheme costs		£	654,870
RESIDUAL VALUE				
	Gross residual value		£	181,403
	Less purchaser costs	% Stamp duty land tax	£	628
		2.00 % Agent/legal purchase fees	£	3,628
	Residual value	For the scheme	£	177,146
		Equivalent per hectare	£	3,838,172
		Go to next stage		
Viability				
	Benchmark land value (per hectare)		£	1,000,000
	Equivalent benchmark land value for site		£	46,154
	Scheme viability headroom		£	130,993
	Viability headroom per sq m		£	437

Non-residential Viability Assessment Model					
Mid Size Convenience of 900 sqm					
	Size of unit (GIA)	900 sq m			
	Ratio of GEA to GIA	100.0%			User input cells
	GEA	900 sq m			Produced by model
	NIA as % of GIA	95%			Key results
	NIA	855 sq m		GEA	Gross external area
	Floors	1		GIA	Gross internal area
	Site coverage	55%		NIA	Net internal area
	Site area	0.16 Hectares			
SCHEME REVENUE					
	Headline annual rent (in £s per sq m)			£177	
	Rent premium			0%	
	Headline annual rent (in £s per sq m) with BREEAM premium			£ 177	
	Annual rent for assesment (total) - NIA			£ 151,335	
	Yield			6.20%	
	(Yield times rent)			£ 2,440,887	
	Less purchaser costs	5.80 % of yield x rent			
	Gross Development Value			£ 2,307,077	
SCHEME COSTS					
	Build costs	£ 1,213 per sq m		£ 1,091,700	
	Additional build costs	£ - per sq m		£ -	
	Water efficiency	0.00% of base build costs		£ -	
	External costs	10% of base build costs		£ 109,170	
	Total construction costs			£ 1,200,870	
	Professional fees	10.00% of construction costs		£ 120,087	
	Sales and lettings costs	3% of GDV		£ 69,212	
	S106 costs (not covered by CIL)			£ 100,000	
	Total 'other costs'			£ 289,299	
	Finance costs	6.0% Interest rate			
	Build period	8 Months			
	Finance costs for 100% of construction and other costs			£ 59,607	
	Void finance/rent free period (in months)	3 Months		£ 22,353	
	Total finance costs			£ 81,959	
	Developer return	20% Scheme value		£ 461,415	
	Total scheme costs			£ 2,033,544	
RESIDUAL VALUE					
	Gross residual value			£ 273,533	
	Less purchaser costs		% Stamp duty land tax	£ 3,177	
		2.00 % Agent/legal purchase fees		£ 5,471	
	Residual value				
		For the scheme		£ 264,885	
		Equivalent per hectare		£ 1,618,744	
					Go to next stage
Viability					
	Benchmark land value (per hectare)			£ 1,000,000	
	Equivalent benchmark land value for site			£ 163,636	
	Scheme viability headroom			£ 101,249	
	Viability headroom per sq m			£ 112	

Non-residential Viability Assessment Model					
Supermarket of 2,500 sqm					
	Size of unit (GIA)	2500	sq m		
	Ratio of GEA to GIA	100.0%			User input cells
	GEA	2500	sq m		Produced by model
	NIA as % of GIA	95%			Key results
	NIA	2375	sq m	GEA	Gross external area
	Floors	1		GIA	Gross internal area
	Site coverage	40%		NIA	Net internal area
	Site area	0.63	Hectares		
SCHEME REVENUE					
	Headline annual rent (in £s per sq m)			£194	
	Rent premium			0%	
	Headline annual rent (in £s per sq m) with BREEAM premium			£ 194	
	Annual rent for assesment (total) - NIA			£ 460,750	
	Yield			5.40%	
	(Yield times rent)			£ 8,532,407	
	Less purchaser costs	5.80	% of yield x rent		
	Gross Development Value				£ 8,064,657
SCHEME COSTS					
	Build costs	£ 1,558	per sq m	£ 3,895,000	
	Additional build costs	£ -	per sq m	£ -	
	Water efficiency	0.00%	of base build costs	£ -	
	External costs	10%	of base build costs	£ 389,500	
	Total construction costs				£ 4,284,500
	Professional fees	10.00%	of construction costs	£ 428,450	
	Sales and lettings costs	3%	of GDV	£ 241,940	
	S106 costs (not covered by CIL)			£ 100,000	
	Total 'other costs'				£ 770,390
	Finance costs	6.0%	Interest rate		
	Build period	12	Months		
	Finance costs for 100% of construction and other costs			£ 303,293	
	Void finance/rent free period (in months)	3	Months	£ 75,823	
	Total finance costs				£ 379,117
	Developer return	20%	Scheme value		£ 1,612,931
	Total scheme costs				£ 7,046,938
RESIDUAL VALUE					
	Gross residual value				£ 1,017,719
	Less purchaser costs		% Stamp duty land tax		£ 40,386
		2.00	% Agent/legal purchase fees		£ 20,354
	Residual value				£ 956,979
			Equivalent per hectare		£ 1,531,166
					Go to next stage
Viability					
	Benchmark land value (per hectare)			£ 1,000,000	
	Equivalent benchmark land value for site			£ 625,000	
	Scheme viability headroom			£ 331,979	
	Viability headroom per sq m			£ 133	

Non-residential Viability Assessment Model					
70 bedroom budget hotel out of town					
	Size of unit (GIA)	2450 sq m			
	Ratio of GEA to GIA	100.0%			User input cells
	GEA	2450 sq m			Produced by model
	NIA as % of GIA	95%			Key results
	NIA	2327.5 sq m		GEA	Gross external area
	Floors	3		GIA	Gross internal area
	Site coverage	50%		NIA	Net internal area
	Site area	0.16 Hectares			
SCHEME REVENUE					
	Capital value per room			£ 80,000	
	Rooms			70	
	Gross capital value			£ 5,600,000	
	Less purchaser costs	5.80 % of gross capital value			
	Gross Development Value				£ 5,293,006
SCHEME COSTS					
	Build costs	£ 1,123 per sq m		£ 2,751,350	
	Additional build costs	£ - per sq m		£ -	
	Water efficiency	2.00% of base build costs		£ 55,027	
	External costs	10% of base build costs		£ 275,135	
	Total construction costs				£ 3,081,512
	Professional fees	12.00% of construction costs		£ 369,781	
	Sales and lettings costs	3% of GDV		£ 158,790	
	S106 costs (not covered by CIL)			£ 10,000	
	Total 'other costs'				£ 538,572
	Finance costs	6.0% Interest rate			
	Build period	10 Months			
	Finance costs for 100% of construction and other costs			£ 181,004	
	Void finance/rent free period (in months)	6 Months		£ 108,603	
	Total finance costs				£ 289,607
	Developer return	20% Scheme value			£ 1,058,601
	Total scheme costs				£ 4,968,291
RESIDUAL VALUE					
	Gross residual value				£ 324,714
	Less purchaser costs		% Stamp duty land tax		£ 31,128
		2.00 % Agent/legal purchase fees			£ 6,494
	Residual value	For the scheme			£ 287,092
		Equivalent per hectare			£ 1,757,706
					Go to next stage
Potential for CIL					
	Benchmark land value (per hectare)			£ 810,000	
	Viability			£ 132,300	
	Potential for CIL for the scheme			£ 154,792	
	Potential per sq m			£ 63	

Non-residential Viability Assessment Model					
Student accommodation of 44 studios and 115 cluster flat rooms					
	Size of unit (GIA)	5565	sq m		
	Ratio of GEA to GIA	100.0%			User input cells
	GEA	5565	sq m		Produced by model
	NIA as % of GIA	95%			Key results
	NIA	5286.75	sq m	GEA	Gross external area
	Rooms	159		GIA	Gross internal area
	Floors	4		NIA	Net internal area
	Site coverage	75%			
	Site area	0.19	Hectares		
SCHEME REVENUE					
	Room value	£ 105,000		£ 16,695,000	
	Less purchaser costs	5.80	% of yield x rent		
	Gross Development Value				£ 15,779,773
SCHEME COSTS					
	Build costs	£ 1,618	per sq m	£ 9,004,170	
	External costs	10%	of base build costs	£ 900,417	
	Total construction costs				£ 9,904,587
	Professional fees	12.00%	of construction costs	£ 1,188,550	
	Sales and lettings costs	3%	of GDV	£ 473,393	
	Planning obligations			£ -	
				£ -	
	Total 'other costs'				£ 1,661,944
	Finance costs	6.0%	Interest rate		
	Build period	18	Months		
	Finance costs for 100% of construction and other costs			£ 1,040,988	
	Void finance period (in months)	0	Months	£ -	
	Total finance costs				£ 1,040,988
	Developer return	20%	Scheme value		
	Total scheme costs				£ 3,155,955
	Total scheme costs				£ 15,763,473
RESIDUAL VALUE					
	Gross residual value			£ 16,300	
	Less purchaser costs		Stamp duty land tax	£ -	
		2.00	% Agent/legal purchase fees	£ 326	
	Residual value				£ 15,981
		For the scheme			£ 86,148
		Equivalent per hectare			
			Go to next stage		
Potential for CIL					
	Benchmark land value (per hectare)			£ 750,000	
	Equivalent benchmark land value for site			£ 139,125	
	Viability			-£ 123,144	
	Headroom per sq m			NONE	

Non-residential Viability Assessment Model				
Edge of centre mixed leisure development				
	Size of unit (GIA)	3800 sq m		
	Ratio of GEA to GIA	100.0%		User input cells
	GEA	3800 sq m		Produced by model
	NIA as % of GIA	95%		Key results
	NIA	3610 sq m	GEA	Gross external area
	Floors	2	GIA	Gross internal area
	Site coverage	80%	NIA	Net internal area
	Site area	0.24 Hectares		
SCHEME REVENUE				
	Headline annual rent (in £s per sq m)		£161	
	Rent premium		0%	
	Headline annual rent (in £s per sq m) with BREEAM premium		£ 161	
	Annual rent for assesment (total) - NIA		£ 581,210	
	Yield		6.70%	
	(Yield times rent)		£ 8,674,776	
	Less purchaser costs	5.80 % of yield x rent		
	Gross Development Value		£ 8,199,221	
SCHEME COSTS				
	Build costs	£ 1,333 per sq m	£ 5,065,400	
	Additional build costs	£ - per sq m	£ -	
	Water efficiency	2.00% of base build costs	£ 101,308	
	External costs	10% of base build costs	£ 506,540	
	Total construction costs		£ 5,673,248	
	Professional fees	12.00% of construction costs	£ 680,790	
	Sales and lettings costs	3% of GDV	£ 245,977	
	S106 costs (not covered by CIL)		£ 20,000	
	Total 'other costs'		£ 946,766	
	Finance costs	6.0% Interest rate		
	Build period	12 Months		
	Finance costs for 100% of construction and other costs		£ 397,201	
	Void finance/rent free period (in months)	0 Months	£ -	
	Total finance costs		£ 397,201	
	Developer return	20% Scheme value	£ 1,639,844	
	Total scheme costs		£ 8,657,060	
RESIDUAL VALUE				
	Gross residual value		-£ 457,838	
	Less purchaser costs	0.00 % Stamp duty land tax	£ -	
		2.00 % Agent/legal purchase fees	£ -	
	Residual value	For the scheme	-£ 466,995	
		Equivalent per hectare	-£ 1,966,295	
		Not viable		
Viability				
	Benchmark land value (per hectare)		£ 810,000	
	Equivalent benchmark land value for site		£ 192,375	
	Scheme viability headroom		-£ 659,370	
	Viability headroom per sq m		NONE	

Non-residential Viability Assessment Model						
Care home 60 bedrooms						
	Size of unit (GIA)	3000	sq m			
	Ratio of GEA to GIA	100.0%				User input cells
	GEA	3000	sq m			Produced by model
	NIA as % of GIA	95%				Key results
	NIA	2850	sq m	GEA		Gross external area
	Floors	2		GIA		Gross internal area
	Site coverage	40%		NIA		Net internal area
	Site area	0.38	Hectares			
SCHEME REVENUE						
	Capital value per room			£	95,000	
	Rooms				60	
	Gross capital value			£	5,700,000	
	Less purchaser costs	5.80	% of gross capital value			
	Gross Development Value			£	5,387,524	
SCHEME COSTS						
	Build costs	£ 1,396	per sq m	£	4,188,000	
	Additional build costs	£ -	per sq m	£	-	
	Water efficiency	0.00%	of base build costs	£	-	
	External costs	10%	of base build costs	£	418,800	
	Total construction costs			£	4,606,800	
	Professional fees	12.00%	of construction costs	£	552,816	
	Sales and lettings costs	3%	of GDV	£	161,626	
	S106 costs (not covered by CIL)			£	75,000	
	Total 'other costs'			£	789,442	
	Finance costs	6.0%	Interest rate			
	Build period	12	Months			
	Finance costs for 100% of construction and other costs			£	323,775	
	Void finance/rent free period (in months)	0	Months	£	-	
	Total finance costs			£	323,775	
	Developer return	20%	Scheme value	£	1,077,505	
	Total scheme costs			£	6,797,521	
RESIDUAL VALUE						
	Gross residual value					-£ 1,409,997
	Less purchaser costs	0.00	% Stamp duty land tax	£		-
		2.00	% Agent/legal purchase fees	£		-
	Residual value					
		For the scheme				-£ 1,438,197
		Equivalent per hectare				-£ 3,835,193
						Not viable
Viability						
	Benchmark land value (per hectare)			£	810,000	
	Viability			£	303,750	
	Scheme viability headroom					-£ 1,741,947
	Viability headroom per sq m					NONE



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